

The NATIONAL UNDERWRITER

Life Insurance Edition



JOHN LIESENFELD

*"I had offers from 35
companies"*

Mr. Chas. E. Becker, President
The Franklin Life Insurance Company
Springfield, Illinois

Nov. 10, 1953

Dear President Becker:

November 26, 1953 marked my seventeenth anniversary in the life insurance business. With the exception of the past month with the Franklin Life, all the time has been spent with one of the nation's major companies. Starting as an agent, I was successively promoted to Assistant Manager, General Assistant Manager, and Manager in one of Texas' largest cities.

Early this year I was offered another transfer—out of Texas. Having developed a love for Texas and its wonderful people I resigned my position.

At age 42, with a wife and four children, I wanted to be certain that I made no mistake in my next connection. As this was the biggest decision my family or I have ever had to make, I decided to take at least 90 days to expose myself to as many companies as possible, and then select. I thought that my main consideration should be along these lines. The company I selected should offer: (1) The best opportunity for financial success. In other words the company which recognizes the sales department as the most vital department, and coordinates all else to keep it such...an everyday reality. (2) Personal friendly leadership and association on a plane that stimulates human dignity and enthusiastic endeavor. A relationship whereby a man feels happy and proud to be a member of the family—not just another number. (3) A reputation of outstanding public service. (4) Products that people desire because they recognize a need for them, and want them. (5) Modern merchandise and merchandising methods superior to those generally found in the industry. (6) Progressive and promotional advertising for the public, the salesman and the company. (7) Stability and a long-standing record of sound investments, methods and operation. (8) Advantages of experience. The company should have been in business fifty years or more.

With this yardstick as a guide I had offers from at least thirty-five companies. While many were attractive, I know that my selection of the Franklin fulfilled every qualification to an outstanding degree. I just don't know how anyone can help being happy and successful with the company so justly called the *friendly* Franklin.

Cordially,
John Liesenfeld



The Friendly
**FRANKLIN LIFE INSURANCE
COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

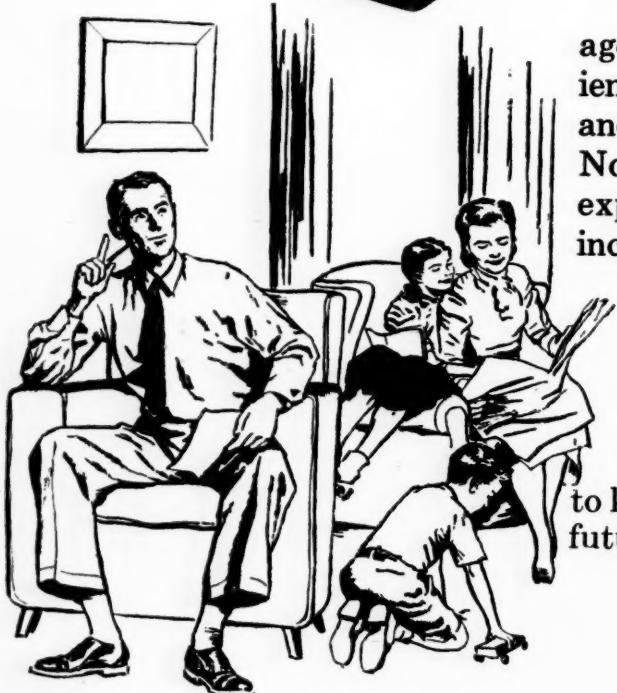
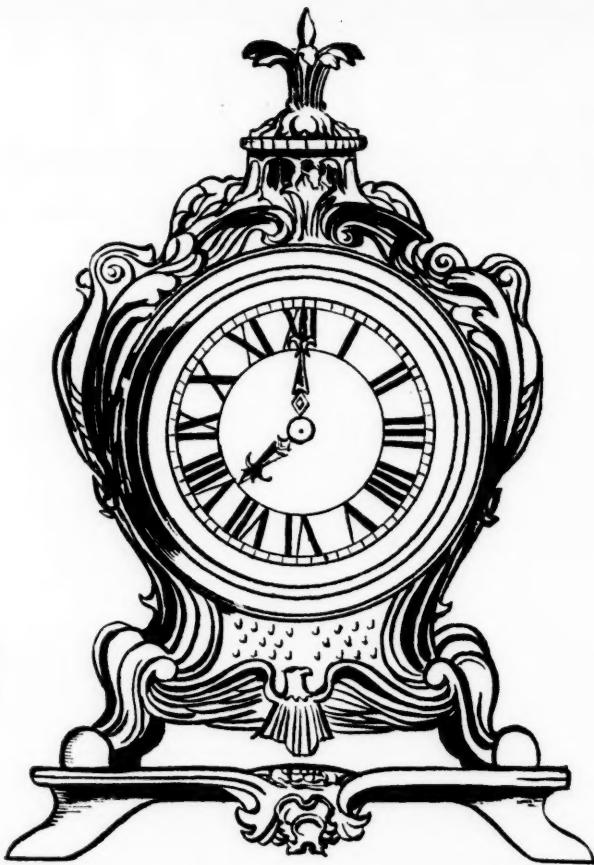
DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over a Billion Five Hundred Million Dollars of Insurance in Force

FRIDAY, JANUARY 1, 1954

This is about Time . . .



Yes, it's about time for a new calendar and a new package of 365 days. That means we have another year's experience to look back on. We've had our ups and downs, our joys, and our sorrows, we've made our mistakes and our successes. Now we look forward to another year with great hope and expectation. When you start making your resolutions — include one like this:

I'll see that my family is given the peace of mind that comes through adequate life insurance, suited to our own needs.

Your Beneficial Life Underwriter is an important man to know. Let him assist you in the planning of your financial future.

BENEFICIAL LIFE
Insurance  **Company**

David O. McKay, Pres.

Salt Lake City - Utah

Over a quarter billion life insurance in force

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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

58th Year. No. 1
January 1, 1954

Insurance Teachers Elect Ackerman at Washington Muster

Research Gets Big Eyes; Industry Chided for Hiding Keys to Statistical Data

By ROBERT B. MITCHELL

WASHINGTON—Research activities got an unprecedentedly big play at the annual meeting of the American Assn. of University Teachers of Insurance here this week. All

of Tuesday afternoon was devoted to the presentation and discussion of three papers on insurance research.

In the past, the association had pretty much confined its programs to teaching and matters of current insurance significance.

Many of those on hand considered that the emphasis on research this week indicates a trend in the association toward more attention to reviewing what various universities are doing to delve into the operations of the insurance system.

John S. Bickley, Ohio State university, made a plea for a more cooperative attitude on the part of companies and associations toward graduate students working on doctoral dissertations and faculty members engaged in research projects. In some quarters there have been outright refusals to give researchers access to basic data.

Mr. Bickley told of an exceptionally well qualified graduate student who sought to study the determinants in

OFFICERS ELECTED
President—Laurence J. Ackerman, University of Connecticut.
Vice-President—Hampton H. Irwin, Wayne University, Detroit.
Secretary-treasurer—William T. Beadles, Illinois Wesleyan.
Member of executive committee—Davis W. Gregg, American College of Life Underwriters.

automobile liability insurance but was refused access to any records when it became known that the student might conceivably make some criticisms of the system. Companies and bureaus refused to cooperate.

"How can academic people examine the economic justification for a particular type of contract or whether the cost is proper, unless they have factual information?" Mr. Bickley asked. "How can they study the desirability of a plan if they have no access to how the system has been operating?"

Mr. Bickley told of a student interested in studying the benefits paid by a large A&H insurer in an attempt to find out to what extent the benefits paid satisfied the needs of those who

(CONTINUED ON PAGE 9)

Insurers Offer Full Pay, Service Contract on Big Group Plan

The signing early last month by John Hancock, Continental Assurance and New York Life of group contracts with the largest meat packing concerns covering full-service hospitalization for union members has put the group writing A. & H. companies into competition with Blue Cross on the basis of offering benefits under the Blue Cross mode of operation.

John Hancock writes the plan for Armour, Continental covers Cudahy and New York Life is on Wilson & Co. The Swift and Oscar Mayer plans are underwritten by Blue Cross-Blue Shield through their national agencies, Health Service, Inc., and Medical Indemnity. The plans evidently establish a pattern for the meat industry. Benefits include 70 days of semi-private room hospitalization, full cost of extras, 300 surgical, \$5,000 polio, and in hospital medical paying \$10 for the first visit by the doctor and \$3 for the next 69.

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The cost has been publicized as amounting to 4½ cents per man hour, but it is difficult to say whether this would be correct since the unions negotiated on the basis of benefits rather than costs.

A similar plan has been written by Prudential to cover the rubber workers of Goodyear Tire & Rubber Co. It extends to salaried and other workers not included in the union. The Prudential plan covers 120 days of hospitalization in a semi-private room plus all extras, and includes a \$250 surgical benefit up to 120 days. A special allowance of \$70 is given employees only for out-patient, X-ray and diagnostic services, and temporary disability coverage, where elected, is \$35 a week for males and \$25 for females up to 26 weeks. Maternity benefits are limited to six weeks and to a total of 26 weeks during any one year.

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If these plans actually presage a trend in the group A. & H. business, there will have to be some back-tracking and realignment of philosophy. Companies up to now have been careful to put limits on hospital rooms on a per day basis, and to provide either a schedule or an overall limit on extras. The Blue Cross plan has always been full cost on a service basis and these two items—full payment and provision for service instead of cash benefit—have been the chief distinguishing characteristics between Blue Cross and private insurers. However, unions have come into the picture and in their negotiations are demanding a full service contract. The insurers have no alternative but to bid on this type of contract, offering the same deal as Blue Cross, if they expect even to have a chance at the business.

It is understood that some contracts of private insurers have been in effect on the service basis for as long as two

(CONTINUED ON PAGE 11)

TO "AID" SELECTORS

N.Y.C. Association Begins Drive to Get NALU Headquarters

NEW YORK—Harold Sloane, Continental Assurance, president of New York City Life Underwriters Assn., has appointed a special committee "to assist the committee on headquarters location of National Assn. of Life Underwriters by pointing out the benefits that would accrue to NALU and its 56,000 members by remaining in the New York City area, which has been its location for over half a century."

The committee includes E. J. Allen, John Hancock, chairman; Harry K. Gutmann, Mutual Life; Andrew F. Kinbacher, New England Mutual, and Harold W. Baird, Northwestern Mutual, national committeeman of the city association.

Naming of the committee resulted from a resolution passed in November expressing the New York City association's "sincere hope" NALU headquarters will remain in the New York City area, and directing the appointment of a special committee.

The resolution cited the area's accessibility to Albany and Washington, to the Institute of Life Insurance, Life Insurance Assn. of America, Life Office Management and LIAMA, many home offices in the area and in the east, "with attendant valuable services and facilities," and its nearness to the "largest individual local" association, which with other associations in New York state and adjoining New Jersey, Connecticut and Pennsylvania "comprises over 20% of NALU's total membership."

Cal. Department Holds Up Merger of Sterling With Constitution Life

Commissioner Maloney of California has declined to approve the merger of Constitution Life of Los Angeles with Sterling of Chicago on the grounds that there is a violation of the insurance code.

Maloney is basing his position on a district court decision which halted the original plan of merging Industrial Indemnity Exchange with Industrial Indemnity, a stock company organized to take over the reciprocal. The position of John MacArthur with both Constitution and Sterling is said to set up a similar condition. Mr. MacArthur and his associates control both companies in a manner the department says raises doubts as to the effect on policyholders and other stockholders.

Last year at this time Mr. MacArthur, who has a controlling interest in Constitution, attempted to merge it with his principal company, Bankers Life & Casualty, and this was called to a halt by a minority stockholder who got legal proceedings under way. Mr. MacArthur, who at that time was looking to add some life insurance business to Bankers Life & Casualty, then made a deal with Sterling, trading some life business for A&H, and then

'53 Life Sales Best Ever, \$39.7 Billion Total Is 15% Gain

90 Million Policyholders Have Record \$304 Billion Insurance in Force

New life insurance sales in 1953 are estimated at a record \$39.7 billion by the Institute of Life Insurance. This is a gain of 15% over the 1952 total, also a record.

The nation's policyholders now number 90 million and have \$304.4 billion of life insurance in force, an increase of \$28 billion. Although the largest increase in life insurance in force in any year, the aggregate amount still represents a much smaller ratio to total personal income of the nation than existed 15 to 20 years ago. If American families had as much income replacement through life insurance as they did 20 years ago, aggregate life insurance ownership would be nearly twice as large today.

The year just closed saw greater gains in all types of protection, ordinary, group and industrial. Ordinary showed the greatest increase, with group having the largest percentage rise, more than one-fourth greater than the year before.

Benefit payments of life companies in 1953 reached an estimated \$4,485,000,000, some \$340 million more than in 1952. Death benefits are estimated at \$1,975,000,000, the largest total ever and \$140 million over the 1952 amount. The death rate among policyholders was relatively unchanged from the year before, the death benefit rise primarily being due to a greater amount of life insurance in force.

Payments to living policyholders rose from \$200 million to \$2,510,000,000, accounting for 56% of total payments.

Premiums for life insurance and annuities are estimated at \$8,945,000,000, a gain of \$625 million. More life insurance was owned at the end of the year, per dollar of premium, than was owned 10 to 15 years ago. This largely was a reflection of the recent great increases in group life and the widening use of term protection for temporary needs in conjunction with permanent plans. While premiums for life insurance have increased about 100% in the past 10 years, total life insurance outstanding has risen about 120%.

Total policy reserves are estimated to have increased \$4.4 billion to an aggregate of \$67 billion. Total assets of all life companies were estimated to be \$78.6 billion, an increase of \$5,225,000,000.

The death rate among life policyholders is expected to be little changed from last year's 6.4 per one thousand. This compares with 7.5 in 1943 and about 10 in 1913.

about six months later he purchased the Sterling from Louis Breskin. About two months ago he instituted the plan to merge Constitution and Sterling.

CURE FOR ONE MAY POISON ANOTHER

Teachers Warned Against Industry-Wide Solutions in Management Research Field

WASHINGTON—The kind of management planning and research that will do the most lasting good is that sponsored by the company itself, tailor-made to its own needs, Frank Lang, research department manager of the Assn. of Casualty & Surety Companies, declared at the annual meeting of the American Assn. of University Teachers of Insurance.

"If there were any over-all solution to management problems, no competition would exist in the business," he said. "What may be advisable for one company may be unwise for another organization. Only by careful study of each individual company can management be assured that it will receive the full benefit of scientific management."

Management planning is a staff function and therefore only highly trained men who are directly responsible to top management should be entrusted with the responsibility of evaluating problems and conditions and blue-printing plans for future action, said Mr. Lang.

"Such persons must have a good background of scientific procedures as well as a thorough understanding of practical problems," he said. "They must be able to preserve a certain objectivity which will prevent them from focusing all their attention on any one of the components of the operation, and thereby overlooking other factors which contribute greatly to the final outcome."

Mr. Lang said it is important to differentiate broad management planning from detailed systems or methods work. The set-up of procedures, flow of work, forms control and similar studies is only one small aspect of this planning and must be subordinated to broader considerations, he warned.

"The creation of a centralized planning and research activity under one head has usually proven the most effective approach," he said. "Some companies have set up committees, others have distributed this work among various of their officers, only to find that they end up with a large number of detail men but without a well-trained technician who can coordinate the entire program."

Mr. Lang posed the question, What will be future of scientific management tools as applied to fire and casualty insurance companies? "In which direction is management philosophy going?" he asked. He outlined the picture in the fire-casualty field as follows:

1. So far, relatively few companies have set up a full-time staff research function to investigate the types of management problems but the companies that have done so have gone all-out in its promotion. Apparently, company management believes either completely in the application of scientific management or prefers to continue established procedures.

2. The number of companies employing scientific procedures is increasing with amazing rapidity. In a recent survey among 30 of the 60 largest multiple line insurance groups, 15 companies indicated they had a separate full-time staff unit for planning

and control, most of which were established only recently. Sixteen of the 30 companies indicated they had prepared organization charts or manuals and many of these were started only in the last few years.

Seven companies said they had set up plans to be used when changes are possible and a number would like to establish them provided they could obtain trained personnel to undertake the job. Seventeen companies indicated they have written up descriptions of major departments and committee functions, and a number indicated they are now working on such job descriptions.

"You may be interested to know that there are still two companies [of the 30] that feel 'that it is contrary to general policy to have formalized responsibility in lines of authority' but this point of view is definitely disappearing," Mr. Lang observed.

3. There is a rapidly increasing number of technical developments which will inevitably influence the insurance business and accelerate the need for more staff planning in research. One of these—the electronic office machine—will eventually revolutionize established methods in the recording and processing of business, Mr. Lang predicted.

Discussing the electronic machines, Mr. Lang said it is difficult to conceive of all the possible applications. In fact,

(CONTINUED ON PAGE 12)

Equitable Society Has New Catastrophe Cover

A new major medical expense policy with broad and extensive coverage is being issued by Equitable Society. It replaces the in-hospital major expense policy with which Equitable pioneered in the field of individual and family medical disaster or catastrophe insurance 2½ years ago.

The new policy is a simplified program directly available to individuals and families. On an individual basis, single persons through age 60 are eligible; and under a family policy, husband and wife through age 60 are eligible and children from birth to age 18 will be included.

The plan has a deductible of \$500 and a \$7,500 benefit limit with respect to any one accident or sickness, applicable separately to each member of the family. The new plan covers charges for at-home as well as in-hospital care. The plan has a coinsurance provision which requires insured to pay 25% of the expenses in excess of the deductible of \$500.

Keep Ind. Complaints Secret

Files on complaints of policyholders about non-payment of claims may be kept secret by the Indiana department, according to a ruling by Atty. Gen. Steers. He said the 1953 Hughes anti-secrecy law does not apply to these records. He issued the opinion on a request from Commissioner Wells.

Fidelity Mutual Scale Same

Fidelity Mutual Life will continue its 1953 dividend scale in 1954. This will involve a total of dividend payments exceeding by about 9% the corresponding apportionments in 1953. The increase is due primarily to an

expected increase of about 7% in insurance in force.

The interest rate allowed under settlement options will continue at 2.75% or the guaranteed rate, whichever is higher. Dividend accumulations will receive 3% or the guaranteed rate, whichever is higher.

Metropolitan Names Timmermann and Shepard 2nd V.P.'s

Dr. William P. Shepard and John C. Timmermann have been appointed 2nd vice-presidents of Metropolitan Life. Dr. Shepard will be in charge of the health and welfare division, succeeding Dr. Donald B. Armstrong, retiring. Mr. Timmermann's responsibilities will embrace industrial operations.

Other appointments include George R. Berry, Joseph F. Flood, and Earl R. Trangmar to 3rd vice-presidents; Howard Thiel and William S. York associate controllers, Christian H. Bonnin associate general counsel; Dr. William J. McConnell associate medical director; John A. Foran, Robert S. Kieffer, John E. Lowther, and Walter J. Rhodes, Jr., assistant vice-presidents; Arthur H. Flachsenhaar assistant controller; Arthur L. Hurst, Charles H. Jagow, and William F. Leahy assistant general counsel, and Dr. James G. Forgerson assistant medical director.

Dr. Armstrong, 37 years with the company, joined Metropolitan as executive director of the Framingham tuberculosis and public health demon-

stration in 1916. He held various titles until becoming 2nd vice-president in 1944. He has served prominently on a great number of state and national health committees.

A major aspect of the activities which Dr. Armstrong has directed has been development of Metropolitan's well-known booklets on health and welfare for policyholders and the general public.

Dr. Shepard, who has been president of American Public Health Assn., was appointed assistant secretary and

welfare director in Metropolitan's Pacific Coast office in 1926 and in 1944

was named 3rd vice-president, going

to the home office in 1953.

Mr. Timmermann started with Metropolitan in 1922 and went to Ottawa when the company's Canadian head office was established there. He returned to the home office in 1926 and in 1937 became manager of the monthly premium division. In 1943 he became assistant secretary, in 1944 assistant vice-president, and in 1947 vice-president.

Mr. Flood, with the company since 1925, in 1934 became manager of the field auditing division. He was made an assistant vice-president in 1951.

Mr. Trangmar joined Metropolitan in 1930 as director of the group sales and marketing service and subsequently became director of advertising re-

search and administrative assistant in

John S. Thompson Closes Colorful Insurance Career

The close of 1953 brought an end to one of the most illustrious life insurance careers. John S. Thompson, president of Mutual Benefit Life from 1946 until a year ago when he became vice-chairman, has retired.

Mr. Thompson is especially well known in actuarial circles, both in this country and abroad. He was president of Actuarial Society of America in 1932-34 and for several years was secretary of the American section of the Committee for International Actuarial Congresses. He became vice-president of the council in 1934 and attended the 10th congress in Rome as a special representative of the U.S. government. He also was president of the Insurance Institute of America in 1940-41.

Starting in the business with the Mutual Life actuarial department in 1905, Mr. Thompson later rose to associate actuary and in 1926 went with Mutual Benefit as mathematician, became a vice-president in 1927 and president in 1946. He is a fellow of Institute of Actuaries of Great Britain, Faculty of Actuaries of Scotland, Casualty Actuarial Society and Society of Actuaries.

Mr. Thompson now plans to spend his winters in Florida regularly, and will go there in a few weeks. He will make his summer home at Martha's Vineyard, Mass.

Two of Mr. Thompson's sons are in the business, John, Jr., being assistant actuary with New York Life, and David an actuarial assistant with Metropolitan Life.

Son Succeeds Schmid

Manufacturers Life has appointed Richard W. Schmid manager of its Detroit uptown branch. Formerly agency assistant in the branch, he succeeds his father, R. F. Schmid, who is retiring after 22 years as manager and will continue in a consultant capacity.

R. F. Schmid, who until his retirement was senior manager in the company's United States division, joined Manufacturers at Detroit in 1922, and in 1931 became manager of the uptown branch.

E. D. Badgley Is Promoted

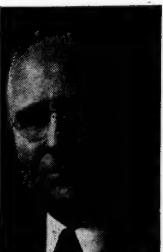
Eugene D. Badgley has been appointed director of the special services division of Equitable Society. He succeeds Gordon K. Smith who has been advanced to secretary.

Mr. Badgley joined Equitable in 1932 and served at Buffalo and Nashville before going to the home office in 1936. In 1948 he was named consultant to the newly established agency special services division, becoming assistant director in 1951 and associate director in 1952. He is an army veteran.

field management. In 1937 he assisted in the organization of Institute of Life Insurance and has had a large part in creation of the cooperative fund for underwriter training through which the American College is largely maintained. He is a member of the examination board of the college.



John S. Thompson



Dr. D. B. Armstrong



J. C. Timmermann

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1953 a Lively Year for Life Insurance News, a Look at Back Issues Shows

If anyone has the feeling that 1953 was quite a lively year for insurance news, a glance through the back issues of **THE NATIONAL UNDERWRITER** will abundantly confirm this impression.

National Assn. of Life Underwriters was in the news in an important way to a far greater extent than usual. Several matters were major items of controversy, such as the candidacy of John D. Marsh for the NALU presidency; the location of the proposed NALU headquarters building; the projected employment of Donald Dawson, formerly of the Reconstruction Finance Corp., as managing director following the resignation of B. N. Woodson to become president of American General Life of Houston; the right of a state association to permit companies to become members; and the appointment of a new managing director, Past President Lester O. Schriver.

The fact that Mr. Marsh and his associates in his general agency of Lincoln National Life at Washington sell securities incidental to their estate planning activities aroused enough controversy within NALU ranks to make a bitter factional fight on his advancement from vice-president to president seem inevitable. In one of the most dramatic moments in NALU history, Mr. Marsh, at the national council meeting in Cleveland in August, refused to let himself be nominated from the floor after the nominating committee had chosen Robert C. Gilmore, Jr., Mutual Benefit Life, Bridgeport, Conn., who had been secretary and normally would have been nominated for vice-president. Instead, Mr. Marsh asked for the privilege of the floor and moved to make Mr. Gilmore's election unanimous.

At the same convention, the selection committee's choice of Donald Dawson as managing director ran into such heavy opposition that his name was dropped even though he had gone to Cleveland on the assumption that he would get the appointment.

The plan for purchase of a site in Washington, D. C., for NALU's new home fell through and this led the way to reopening the entire matter at the Cleveland convention. It is still open and still a matter of controversy. When the executive committee of NALU recently indicated a preference for keeping the headquarters in the New York metropolitan area opposition was expressed on the ground that because of its predominantly eastern make-up the committee should not have attempted to express its sentiments to the location committee.

NALU also was very much in the news in 1953 in connection with the New York State Assn. of Life Underwriters proposal to bring in New York domiciled life companies as dues-paying but non-voting members to permit the companies to pay a substantial share of the state association's activities on behalf of the entire industry and policyholders generally.

Some of the local associations, notably Chicago, objected strongly to inclusion of companies as members and in June, after the New York state association had voted to implement its company-member plan the NALU executive committee forbade the state

unit to go ahead with its plan until the trustees had a chance to look it over at the Cleveland meeting.

The trustees turned the plan down but later President Gilmore appointed a committee of three to confer with the New York association and work out a plan that would be acceptable to all. Now pending is a plan to have the companies contribute as "industry associates," a designation which an informal vote of the trustees has indicated to be acceptable. In the meantime, the New York companies have begun to contribute to the state association on a temporary basis pending anticipated favorable action by the NALU board of trustees at the mid-year meeting in March.

Section 213, the New York insurance law's expense limitation statute, was of course in the spotlight during the 1953 legislative session. Amendments that were finally adopted were far from satisfactory to either the companies or the agents. However, some relief was provided as respects commissions and the New York state association went along with the measure on the basis that the department was leaving the door open for further liberalizations. The department made it clear that no more than a "modest" increase would be permitted unless convincing figures were brought forward to prove an actual need of higher rates. This is quite an ambitious project and it will not be possible to have the data ready in time for the 1954 legislative session.

During the 1953 session the CIO industrial agents union sought by court action and legislation to get section 213 and section 213a set aside as respects any commission arrangements entered into through collective bargaining agreements. None of these attempts got anywhere.

During the summer a New York insurance department investigation dragged out into the light of day some practices in connection with insurance written through the union welfare funds. Investigation showed that certain "captive" unions under the thumbs of labor bosses were being milked by them through the collecting of higher than normal commission rates and the charging of excessive fees for management of the insurance operations. Hearings held in December here aired still more of this evidence and all indications are that a strong corrective legislation program will be demanded at the 1954 legislative session.

A congressional committee attempted to get into the welfare investigation act and held hearings in Detroit in November.

Through the year there has been mounting interest in what the federal government was going to do about health insurance. The Eisenhower administration has shown itself to be far more mindful than its predecessor of the job that private insurance plans are doing but at the same time there has been no disposition to consider that the job is being so adequately handled by private insurers that the government can forget the matter. The house committee headed by Wolverton of New Jersey held hearings at which insurance representatives made a notably fine showing. As things developed, the committee's main interest seemed to

(CONTINUED ON PAGE 13)



Nineteen hundred fifty-three has been a prophetic year for the Great Southern.

It was the first full year in our own new home—the year a new "Captain" was given the helm—the year more aggressive operating policies came into being—the year we set an all time Company record for a single month's production—the year we fully realized our unlimited potential of productive capacity.

It was a year that imbued our Great Southerners, in the field and in the home office, with a surge of enthusiasm that will carry far beyond the horizon of the new year. It is a spirit destined to bring continually greater success to the people of the Great Southern and those who will elect to share our forward-looking ambitions—our determined and enthusiastic approach to the future.



Home Office Houston, Texas

AFL, CIO Agents' Unions to Develop United Program

WASHINGTON, D. C.—The first in a series of meetings to develop AFL-CIO unison in the insurance industry took place here shortly after both labor organizations had signed a no-raiding pact. Respective motivators are AFL Insurance Agents' International Union and CIO Insurance Workers of America.

A joint statement issued by IAIU President George L. Russ and IWA President Kenneth O'Dell scored the "divide-and-conquer strategy by the companies", which they said for many years has resulted in the companies benefiting by several unions representing insurance agents. "Thus an opportunity has been afforded companies to play one union against another, particularly at the time of negotiations... the unorganized insurance agents of America have suffered because of the lack of unionized direction in their efforts toward a common objective."

At this initial meeting it was decided to launch a joint action on these matters: "Mutual support and assistance during collective bargaining negotiations with Metropolitan Life, Prudential, John Hancock, as well as all other companies with which the two unions have contracts; united action to secure passage of amendment to that section of the New York law establishing the amount of money insurance companies may spend to acquire and service business (Section 213); no overlapping of organizational efforts on the part of these two unions, who recognize that their common objective should be directed toward bettering the lot of insurance agents, rather than opposing one another."

The unions said of Section 213: "This law has long been used by insurance companies as an alibi for not granting wage increases which agents deserve and are entitled to."

Laffitte Goes With K. C. Life

Kansas City Life has appointed David S. Laffitte regional agency supervisor at Birmingham, Ala. He will assist E. E. Chappell, assistant superintendent of

Formerly Alabama manager for Acacia Mutual Life, Mr. Laffitte has been in insurance for nearly 20 years. He is a past president of Birmingham Life Underwriters Assn.

David S. Laffitte

derwriters Assn.

Franklin Names Two in Va.

Franklin Life has appointed R. E. Miller district manager and Fred Sawyer, Jr., director of sales in its new headquarters at Norfolk, Va.

Mr. Miller entered insurance in 1944 with Acacia Mutual Life. Mr. Sawyer, an army air corps veteran, also entered insurance with Acacia, starting in 1946 and advancing to manager for Rhode Island.

Marking his 20th anniversary as San Joaquin Valley general agent of Pacific Mutual Life is Charlton G. Standford, Fresno, Cal. The Standford office led Pacific Mutual's field organization in new production during 1951 and 1952, and again led toward the end of 1953. Mr. Standford is president of the Pacific Mutual Agency Assn.

COMPLETE PROTECTION

Agency Franchises Available

JEFFERSON NATIONAL

Life Insurance Company

INDIANAPOLIS INDIANA



Home office employees of Pilot Life of North Carolina presented to the company a portrait of its president, O. F. Stafford. Viewing the portrait are Louis C. Stephens, Jr., who made the presentation on behalf of employees; J. M. Waddell, executive vice-president, and Mr. Stafford.

Cunningham Replaces Cleaves as Home, N. Y. Underwriting Chief

Robert B. Cunningham, underwriting secretary of Home Life of New York, has been made head of the company's underwriting and issue department. He succeeds Marshall Cleaves, underwriting vice-president, who has had to relinquish his responsibilities as department head for reasons of health.

Mr. Cunningham began his life insurance career in 1937 with Home Life and was named underwriting supervisor in 1943. In 1948 he was elected assistant underwriting secretary and in 1950 became underwriting secretary. He served in the last war and is a fellow of Life Office Management Assn.

Mr. Cleaves will take an extended period of rest under the company's security benefits program. A veteran of almost 25 years with Home Life, he served last year as president of Home Office Life Underwriters Assn. and is a fellow of Life Office Management Assn. He was appointed underwriting supervisor in 1936, assistant secretary in 1940, underwriting secretary in 1941 and underwriting vice-president in 1950.

Daniel G. Stewart has been named underwriting supervisor. He joined Home Life in 1951 as an actuarial trainee. He is an associate of Society of Actuaries.

Baldwin Resigns as Head of Security L. & A.; Betts Is Successor

W. Lee Baldwin has resigned as president of Security L. & A. of Denver, because of reasons of health. He is being succeeded by F. Burr Betts, formerly executive vice-president and treasurer.

Mr. Betts joined the company in 1932 and successively served as assistant secretary, secretary-treasurer and vice-president. He served in the last war.

Mr. Baldwin, who is continuing as a member of the board and will serve the company in a consulting capacity, entered insurance as an agent for Reliance Life at Birmingham in 1922. He went with Security L. & A. in 1938 as director of agencies and later that year was elected president.

Wiggs Joins Paul Revere as Dallas General Agent

Herbert L. Wiggs has been named general agent at Dallas for Paul Revere Life.

Mr. Wiggs was Texas manager for Medical Protective for 13 years and subsequently organized and headed Herbert Wiggs & Associates with offices at Dallas and Houston. Before joining Paul Revere he was assistant manager of the North Texas branch of Great-West Life.

To Set Up HIP at Milwaukee

Advocates of establishment of a health insurance plan at Milwaukee modeled after that of New York's HIP have gotten together to name a committee to sponsor such an activity.

The Milwaukee plan will be started as an experiment. It would provide, as in New York, comprehensive medical and surgical care, including surgical examinations, for a monthly premium. A medical center would be used and physicians participating would operate as a group. Subscribers would have to join the Blue Cross in addition to HIP in order to get hospital benefits.

There is some controversy about this idea in Milwaukee, since the local medical society already has a plan of its own, and there is a Wisconsin plan for the remainder of the state.

Raymond P. Hippchen has been named district manager at San Antonio for Southwestern Bankers Life.

Provident Mutual Has Several Home Office Promotions

Provident Mutual Life has advanced Charles E. West from associate actuary to actuary, C. Sumner Davis from director of agency department administration to associate manager of agencies, Frederick J. Kieffner from advertising and publications manager to assistant manager of agencies, Edwin E. Weller from assistant counsel to associate counsel, Dr. Edmund J. Brogan to assistant medical director and William A. Space to actuarial assistant.

Eastern Life Holding Rally on Shipboard

NEW YORK—Eastern Life will hold its agency convention aboard the S. S. Queen of Bermuda, sailing from New York Jan. 4. The ship will stop at Bermuda and Nassau, returning Jan. 11. Murray April, director of agencies and Harry Yarin, vice-president and secretary, will head the delegation of 26. During the meetings delegates will be told about 1954 advertising plans and several new policy forms to be released soon. Eastern has a paid-up of more than \$14 million for the year and a gain in insurance in force exceeding \$10 million, bringing its year end in-force to \$60 million.

Fete Collins, Dr. Frost of N. E. Mutual on Retirement

Two notable figures of the business were honored at a dinner in New York by 50 general agents of the New England Mutual and top-ranking company officers. Charles F. Collins, 2nd vice-president and agency secretary, and Dr. Harold M. Frost, medical director, are retiring.

At the testimonial dinner, organized by a committee of New England Mutual General Agents Assn. headed by William B. Wagner, Cleveland, as toastmaster, tributes were paid the two men by Board Chairman George Willard Smith, President O. Kelley Anderson, Vice-president George L. Hunt, and General Agents C. Vernon Bowes, Newark, William L. Wadsworth, Buffalo, and Linwood Butterworth, Atlanta.

Mr. Collins and Dr. Frost both received framed "Declarations of Independence" signed by members of the association. In addition, Mr. Collins was presented with a red leather lounge chair, and Dr. Frost with a piece of laboratory equipment to aid in the private practice which he intends to resume.

Mr. Collins has been with the company his entire career, starting in 1914 in the agency department. He will take a year's vacation, starting this winter in Florida and including the west coast, Europe and Africa, and then reside in his home at Port Clyde, Me., where his family first settled in the 1600s.

Dr. Frost joined the company in 1921 and was appointed medical director in 1931. He is chairman of Life Insurance Medicine, a group which he helped to found. He will also return to his native state of Maine, where he has bought a farm in the town of Friendship. He will divide his time between a limited private medical practice and hunting, fishing and camping.

Sophie Lubroth of the Bergen-Eiber agency of Mutual Trust Life and Abe W. Eisen, supervisor of the Hodges agency of National Life, have been elected to fill vacancies on the board of Life Underwriters Assn. of New York City.

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Mortality of Retired Workers Eyed at Teachers' Meet; Early Rate Much Higher but Then Levels

WASHINGTON—Analyses of the mortality experience under various governmental and private pension plans indicate quite clearly that in the absence of any special circumstances, the mortality of retired workers during the first year or two of retirement is considerably above the general level that might otherwise be expected, but thereafter merges in with the general level, said Robert J. Myers, chief actuary of the social security board, at the joint session Monday of the American Assn. of University Teachers of Insurance, American Statistical Assn., and American Public Health Assn.

Mr. Myers warned, however, that this phenomenon should not be taken as proving that retirement tends to cause people to die earlier than they otherwise would, even though "a priori" reasoning would seem to indicate that compulsory retirement would certainly have some deleterious effect on mortality for some persons."

"It seems likely," he said, "that this higher mortality in the early years of retirement arises from the fact that those in poorer health are more apt to retire at or shortly after the minimum retirement age, while the healthier individuals continue at work."

An important factor to consider, he said, is that those retiring under a plan which does not have a compulsory retirement age generally tend to be the less healthy lives, whereas in a plan requiring retirement at a certain age, those still in service at that age generally tend to be somewhat healthier than the normal population, since they have recently been at work.

"Thus, it would be completely erroneous to contrast the mortality under a plan with compulsory retirement and that under a plan with voluntary retirement if there were considered only pensioners," he said. "The results would seem to indicate lower mortality for the compulsory plan, which would not be a valid conclusion. It would really be necessary to contrast the mortality of pensioners under the compulsory retirement plan with that of both active employees and pensioners under the voluntary retirement plan."

No such data were available to Mr. Myers, since usually mortality of active employees is not so closely studied as that for retired persons, particularly in governmentally administered plans. But it will be necessary to obtain such data, he said, if any progress is to be made in exploring the subject of mortality after retirement.

Mr. Myers said a brief investigation in the early 1940s was made that indicated persons in the OASI system who had just retired showed about a 15% higher mortality than the general population, but this differential virtually disappeared in two or three years. More recently it has been possible to make an investigation of the over-all mortality of retired workers, but only by attained age and not as respects duration of retirement. This showed for men an excess mortality of 36% at age 65 as compared with the population rates. This excess reaches its maximum, 45%, at age 66. For age 67 it was 28%, at 68, 21%, at 69, 16%, at 70, 15%, at 71, 11%, at 72, 7%, continuing downward until it was one point below the norm for ages 75-79, two points below for ages 80-84 and then slightly above for ages 85 and older.

The effect of the higher mortality

immediately after retirement is diluted at the older ages, as most of the experience is among continued lives rather than newly retired ones.

Women follow the same general pattern, though to a much less marked degree. From 10 points below the norm at 65 the mortality at age 66 becomes 7 points above the norm, then drops one point below and keeps going down to eight points below at age 75-79, then moving up to where it is even with the norm at ages 90 and older.

Mr. Myers also quoted some figures from the railroad retirement board experience, saying that it is the only large public retirement system for which good mortality data are available according to duration of retirement. The same higher mortality was observed in the years immediately following retirement but "there is no conclusive evidence that this higher mortality is due to the act of retiring, but rather it seems probable that the retirements were to some extent caused by ill health which would have produced higher mortality anyhow."

In the railroad plan and in the civil service retirement system, it was found that retirements before normal retirement age were associated with a lower than normal mortality, when retirement was not due to disability. The civil service mortality showed an excess mortality for the first few years after retirement for those retiring at the normal retirement age or up to a few years older.

Discussing Mr. Myers' paper, Ray Peterson of Equitable Society said that in the matter of compulsory retirement there are a number of questions still unanswered, including these: Does a known compulsory retirement date make planning for an adjustment to retirement easier than an unknown flexible retirement age? Will the persons who had difficulty adjusting to changes all during life also be about the only ones that have difficulty adjusting to retirement, no matter how much counselling is done? Will such persons have adjustment difficulties whether retirement is being a problem no matter how it occurs?

Mr. Peterson seconded Mr. Myers' wish that experience data might be obtained "that would actually enable us to judge the mortality of pensioners under a compulsory plan."

"It is possible that such data may be available in our group life or group annuity experience but the pressure of many immediate practical problems will interfere with the following up of such a line of investigation."

E. A. Lew, actuary and statistician of Metropolitan Life, presented a paper on life insurance mortality investigations of physical impairments. He mentioned that these investigations have the advantage, on the score of accuracy, of being relatively free of any distortion arising from failure to trace the experience among those withdrawing. Considerable evidence, he said, has been accumulated to show that insured persons who ceased paying premiums and thus removed themselves from the scope of the study are, as a group, not subject to mortality higher than average.

"On the one hand, persons not in good health are strongly motivated to keep up payment of premiums on their insurance," he pointed out. "On the other hand, lives physically im-

paired at the time of application whose condition subsequently improves may be able to obtain insurance later at lower premium rates and thus withdraw from the experience. Thus, we may regard the life insurance mortality experience on physical impairments as characteristic of persons who, by and large, continue to have the impairments while insured."

The findings of life insurance mortality investigations, he said, are particularly valuable for those impairments that fall in the broad region between good health and disease as recognized by doctors in the practice of medicine, for those impairments have not been intensively studied in clinical medicine.

Bernard M. Cohen of the National Research Council presented a paper written by him and Dr. Maurice Z. Cooper of the veterans administration on a follow-up study of prisoners of war in the second world war. Former prisoners of the Japanese showed in the first six years of observation a mortality rate slightly more than double that of the general male population of the same ages. For the first two years it was about four times as great. For prisoners of the Germans the rate was no higher than for the general population.

Tuberculosis and accidents were the main factors in the excess mortality among former prisoners of the Japanese. The tuberculosis incidence is readily understandable, said Mr. Cohen, but he was at a loss to explain the substantially higher accident death rate. The authors checked the induction data on those who met with accidental deaths but could find nothing that seemed like a clue.



A centenarian who declined to accept the \$1,000 face amount of his Northwestern Mutual Life policy, preferring that it continue in force, is shown. With Charles T. Brooker, Wichita business man who reached his 100th year Dec. 31, are left, Henry W. Laffer, Northwestern general agent at Wichita, and right, William W. Cary, secretary of the board of trustees.

Leuzinger Is Trophy Winner

The R. G. Leuzinger agency, Columbus, of Ohio State Life won the president's trophy in the campaign conducted by the field force in honor of Claris Adams, president. The agency wrote 281% of quota to win the trophy for the second successive year. Wayne Lewis of the Leuzinger agency led all individual producers in the campaign.

Bankers Security Reduces Rates

Bankers Security Life has new rates for ordinary, the premiums for a number of policies being reduced. There has been no change in the non-forfeiture values.

Southwest American Life of Houston held an open house in its new home office there. It is a remodeled two-story structure.

Are You Ready?

We Need GENERAL AGENTS in

TEXAS • ARKANSAS
MISSOURI • COLORADO
FLORIDA • NEW MEXICO
ARIZONA • WASHINGTON
WYOMING

Gibraltar

LIFE INSURANCE COMPANY
OF AMERICA

WILLIAM E. NETTLE, president

Our New
HOME
OFFICE
Building
•
Harwood at
Bryan Sts.
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Dallas,
Texas

W. A. (BILL) LEWIS, agency director

Production Ideas Panel to Highlight Program of Mutual Life Meeting

Officials of the Mutual Life and managers of the company's 100 agency offices in the U.S. and Canada will meet at a four-day business conference in Chandler, Ariz. Jan. 6-9. Directed by Stanton G. Hale, vice-president for sales, the conference will deal with recruiting, agency building plans and new business production.

A feature of the program will be a panel discussion with four managers whose agencies have increased their production by nearly \$11 million over 1952. They are Kay R. Hodgkinson,

LEADER IN WORLD-WIDE LIFE INSURANCE and pioneer in employer-employee Group protection plans, the Sun Life of Canada gives unequalled service to the holders of nearly two million policies and Group certificates, from offices situated in strategic key centers around the globe.



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San Diego; James H. Lake, New Orleans; R. Percy Goyne, Dallas, and Leland T. Waggoner, Boston. With Ward Phelps, director of field relations, as moderator, the group will discuss the three best steps each manager took during 1953 to increase production.

Another feature will be an address, "Personal Power in Action," by Charles M. Simmons, president of the Simmons Institute of Human Relations, San Francisco.

The four-day meeting also provides for group and individual discussions among the managers and Mutual executives, including Lewis W. Douglas, chairman; Louis W. Dawson, president, and Roger Hull, executive vice-president.

Participating also will be Departmental Vice-presidents Leigh Cruess, Clifford B. Reeves, Andrew C. Webster and Edward H. Wells, and Dr. Richard L. Willis, chief medical director.

Messrs. Hull, Wells, Webster and Richard B. Thompson, director of sales development, will discuss MONY's new employee benefit plan, "Module Multiprotection." Assisting them will be Charles F. B. Richardson and William H. Schmidt, associate actuaries.

Discussions on the company's A. & S. business will be handled by J. M. Wickman, departmental manager, and Wesley J. A. Jones, director of A. & S. sales.

Other officials who will have a part in the conference include E. C. Danford and James B. McAfee, assistant managers of sales; B. F. Granquist, director of agency office operations; Daniel P. Cahill, director of field training; and Russell V. Vernet, director of advertising.

The managers will also meet on a territorial basis under the direction of Regional Vice-presidents Frank B. Jackson, eastern; Harry B. Cadwell, western; D. D. Briggs, southern; and Edward E. Waller, central.

Insurance Faces Good Year But Must Be Alert to Change: Johnson

Life insurance can look forward to continued gains in 1954, Holgar J. Johnson, president of the Institute of Life Insurance, states in sizing up the 1954 life insurance prospects.

During the coming months, however, it will be necessary for everyone in the business to be, even more than usual, on the alert to changing trends and changing conditions, Mr. Johnson predicts. There is bound to be greater competition for the consumer dollar—both the spending dollar and the saving dollar. This will call for increased efforts to maintain an effective sales and service organization.

Mr. Johnson states it is altogether possible that even more than the 1953 record amount of protection will be bought. Life insurance needs are still growing and far from being met by existing insurance. Ability to buy is broadening as more and more families are relieved of heavy initial commitments for new homes, new cars and other big purchases.

The aggregate of payments to families from life companies will certainly reach a new high during the coming year, Mr. Johnson opines, probably exceeding \$400 million monthly. This flow of benefit payments provides a favorable background for the efforts of agents in extending the ownership of life insurance. For the more people experience life insurance in action, the more they desire its protection.

TIME FOR "CONSERVATIVE OPTIMISM"

Economic "Normalizing" Enhances Appeal of Life Insurance to Buyers

NEW YORK—Following the "money wind" in prospecting and selling is always sound strategy but under today's conditions it pays off particularly well because there is considerably more difference in degree of prosperity among lines of business today than has prevailed in recent years. Moreover, this condition is reflected in the market price of equities, making the relative position of life insurance as an investment more appealing to many buyers. At the same time, better yields on bonds further enhance the attractiveness of life insurance.

This view was expressed by Edward Stone, economic consultant of the Institute of Life Insurance, in response to an inquiry from THE NATIONAL UNDERWRITER on the effect of present economic conditions on the market for life insurance.

Mr. Stone characterized the present as a time for "conservative optimism." That is, there are readjustments going on in various lines of business at various times and because some of these may be downward it should not be taken as an indication that the economy as a whole is hitting skids. Actually, it is considerably more like what should be considered normal than what has prevailed in the war and post-war years. Much of the uneasiness that has arisen, Mr. Stone pointed out, is due to the feeling that unless a constantly expanding boom is going on in all lines of business it means a recession is occurring.

The process of readjustment is a normal one, he indicated, and an encouraging sign for the future is that it is not going on all at once but in different industries at different times. For example, the carpet industry had a readjustment and later on it occurred in the furniture business.

Unemployment figures are still very low, indicating that this is not a time for artificial stimulants.

The attitude of caution has resulted from fear of lessened government expenditures, and has had two salutary effects. One is that all business people have taken a second look at their production and sales anticipations and are no longer building inventories just for fear of higher prices. The other is that by and large they know they are no longer in a sellers market, hence sales are getting back on a competitive basis.

As a result there isn't an overhang of heavy inventories or an abnormal credit expansion for production purposes. One of the features of the readjustment is that some uneconomic production is starting to be eliminated. This includes extra-shift and holiday work and, overtime pay, which is all premium and which is necessarily reflected in higher prices for whatever it goes into.

In the adjustments that are taking place, Mr. Stone mentioned two areas of some difficulty. One is the decrease in take-home pay due to decrease in overtime work. This will doubtless lead to problems with unions on basic pay rates. The other is the ability of marginal firms to stay in business. Many of these came into existence because of the unnatural conditions during and after the second world war. Yet these are adjustments that must

take place. They always have taken place and have been handled before.

Even in the automobile industry some adjustment is indicated but Mr. Stone pointed out that if the manufacturers sell the five million units in 1954 they are predicting they will sell, it would still be one of the biggest years the industry ever had.

One of the bellwethers in economic life, Mr. Stone observed, is the machine tool industry. Its backlog is diminishing but it used to be abnormally large. It was formerly necessary to wait several years to get an order started. It is now back to a more normal situation in which the prospective buyer is encouraged to discuss the possibilities of ordering. The machine tool industry is finding more and more inquiries from industries because of the increasingly competitive atmosphere that makes the latest and most efficient types of manufacturing equipment a must to keep ahead in the race for survival.

As regards the effect of federal spending, there will be decreases in defense spending but they will not be great percentage-wise. Mr. Stone sees evidence that the administration, despite a deficit in the next fiscal year, doesn't embrace the idea of a deficit as an economic shot in the arm but as part of a plan to reduce the level of government spending to fit a level of taxation that is not so burdensome as to stifle initiative and enterprise. This is a salutary aim but it takes time to bring it about.

All these manifestations, Mr. Stone believes, add up to a sound and stable economic picture, with adjustments constantly taking place to maintain equilibrium rather than the use of artificial stimulants bringing the danger of inflationary pressures.

End Pa. Escheat Rule as to Stock Life Companies

HARRISBURG, PA.—Unclaimed dividends or profits declared to stockholders, and unclaimed stock of life companies doing business in Pennsylvania now will revert to the Commonwealth without escheat under the terms of a new law passed by the 1953 legislature.

Heretofore properties of stock life companies subject to escheat could not be turned over to the state treasury without escheat proceedings. Mutuals will continue to function under the escheat provisions.

Wolverton Ready to Resume

Rep. Wolverton, whose house committee on interstate and foreign commerce has been holding hearings on health insurance, is expected to resume those hearings shortly. Rep. Wolverton is expected to go into all phases of A&H, including catastrophic illness, and take testimony from Blue Cross, Blue Shield and a number of organizations active in the A&H and medical fields.

C. M. Dew Joins Hoosier Insurer

C. M. Dew has been named chief underwriter and manager of the policy issue department of Midwestern United Life of Indiana. He formerly was with Illinois Bankers Life, now merged with Central Standard Life.

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Employment of Cardiacs and Their Effect on Employee Coverages Discussed

Most cardiacs already are in employment and have the various forms of group insurance protection, Dr. Lauritz S. Ylvisaker, vice-president and medical director of Fidelity Mutual Life, said in his discussion of insurance problems in the employment of cardiacs at the "heart in industry" conference of the New York Heart Assn.

He noted the trend in American management and labor to secure for all employees coverages of benefit to them—workmen's compensation, social security and unemployment insurance, pensions, sickness and accident coverage, hospital, medical, surgical and other coverages. The trend is for management to assume much or all of the costs of these benefits. These costs add considerably to the expense of conducting business and industry and every employer necessarily must be concerned with every factor which increases the costs of his operation. This trend in the growth of employee coverage undoubtedly is irreversible in the light of current American thought. It is extremely desirable for every employee to have these insurances, and the probable eventual alternative would be to provide the benefits on a federal or state tax basis.

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Cardiacs generally are uninsurable individually. In spite of all effort, significant heart and circulatory conditions still are too uncertain to allow the development of a profitable plan to insure cardiacs individually. The answer is group insurance, which does not generally concern itself with the health of the individual but only requires that the employee be actively and consistently at work.

His own company, he said, employs between 350 and 375 male and female employees, 17 to 70. It knows the cardiovascular status of every employee because of complete studies when they enter employment, annual examinations in their birthday month and follow-up studies after every illness. The company has almost every form of serious heart disease among employees regularly at work. He cited several of the more serious cases, including a 63-year old executive with the company more than 30 years who had his first heart attack at 57. He has lost no time in the last five years.

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He concludes that many cardiacs have in the past been accepted into and are presently in employment, that many heart and circulatory conditions developed in the course of employment do not prevent employees from continuing or returning to their previous work, and that coverages provided for employees through the group principle do not and should not stand in the way of employment of those who have heart disease and who are able to work.

He uttered a word of caution that every such group has a disability potential with which every employer must be concerned from the standpoints of work accomplished and costs. If every member of an employee group was a cardiac, the total amount of disability would undoubtedly affect both work accomplishment and costs to such an extent that the business or industry could not be operated profitably. On the other hand, if all cardiacs and other impaired individuals were

excluded from employment, the burden of their support would eventually fall on both employers and workers through taxation. The best solution lies on a middle ground, with employers sharing with each other the responsibility of employing cardiacs who can work and who come from natural employment channels and keeping those who develop heart disease and who are able to continue to work. This spreads cardiacs as in group insurance among all employers.

As to the future, if all cardiac employables were at work, what cardiac employment problems would still arise in the natural course of employment? One problem is the young cardiac who for the first time seeks employment. Dr. Ylvisaker cited the case of a young girl who applied for employment though she had a serious heart condition. She has done so well she now has a responsible secretarial position with all employee coverages. The other problem is presented by the older individual who develops heart trouble. He cited the case of a salesman, whose condition resulted in the amputation of a leg. The company found sedentary work for him to do. Of course it is more difficult for the older individual to adjust himself to new ways of life. He suggested that if untried cardiacs could be placed in a special category until they have adjusted themselves to employment available to them, employers would undoubtedly feel more free to employ them.

Carl Ploch Retires as Jefferson Nat'l Treasurer

Carl A. Ploch, treasurer of Jefferson National Life, has become the first employee to retire under the company's retirement plan. Mr. Ploch has been in charge of the investment department. He will continue as a director and member of the investment committee.

A. & H. Party at Wichita

Kansas A. & H. Assn. had wives of members as guests at the Christmas luncheon Dec. 21 at Wichita. Rev. Walter A. Kirk, Holy Cross Lutheran Church, was the speaker, and President F. L. Robertson, Pacific Mutual Life, was in charge. There were about 40 in attendance.

A. & H. Club of L. A. Elects

Accident & Health Managers Club of Los Angeles has elected as president Charles I. Wise, Continental companies; vice-president, H. D. Murphy, Automobile Club of Southern California, and secretary, Ken Stakes, Loyal Protective Life.

Bollinger Is Promoted

Bert V. Bollinger is the new secretary-treasurer of First American Life of Houston, succeeding Morton Disimone, now executive vice-president. Mr. Bollinger was an examiner with the Texas department for 10 years before joining First American four years ago.

New Home for Texas Insurer

North American Union Life, which recently moved from Fort Worth to San Angelo, Tex., has purchased a six-story air-conditioned building there for approximately \$630,000. It will be used as the company's home office.

Hillers Rejoins Conn. General

Robert S. Hillers has rejoined Connecticut General Life at Syracuse following service in Korea. He has been assigned to the management training

program. His father, Francis J. Hillers, is general agent for the company at Ogdensburg, N. Y.

Equitable Society Pays for More Than a Billion in Ordinary in 1953

NEW YORK—Equitable Society's 1953 new ordinary business exceeded a billion dollars, a new record. This is an increase of about 12% over 1952. Equitable has more than \$20 billion in force and assets of more than \$6.8 billion.

Northwestern Names Baird General Agent in N. M.

Thomas H. Baird has formed his own agency in Deming, N. M., where he will be general agent for Northwestern Life of Seattle. Mr. Baird, for the last three years, has been with General American Life, most recently as district manager in New Mexico.

• Equitable Society is considering plans to construct a six to eight story office building on West Wisconsin avenue at 17th street in Milwaukee. The company's downtown agency, managed by Lee Wandling, would occupy two or possibly three floors, with the remainder of the building being rented.

Peter T. Allen, general agent for Northwestern Mutual at Buffalo, has been appointed to the executive committee of the Buffalo chamber of commerce.

• Associates of Cecil Frankel, Equitable Society general agent at Los Angeles, honored him at a luncheon celebrating his 45th anniversary with the company.

• Financing amounting to \$7,500,000 has been provided by New York Life for one of the largest regional shopping centers in the country, Evergreen Park Shopping Plaza in Chicago.

Spence Tells Why Managers Should Be Producers

Selling is the most interesting and exciting part of the business, and the general agent or manager ought to have a chance to keep his hand in that phase of it, Eber Spence, vice-president of American United Life, told a meeting of Indianapolis General Agents & Managers Assn.

The topic "Should a General Agent or Manager Write Personal Business" drew the largest turn-out in the history of the association, 20% more persons than total membership attending.

The talk of Paul Norton, regional vice-president of New York Life, in which he argued the merits of prohibiting general agents to produce business personally, was reported in last week's issue.

Mr. Spence contended that the manager who writes personal business can do a better management job, and he gave six reasons:

- (1) It puts him in contact with people who can help in the recruiting.
- (2) It permits him to keep his finger on the pulse of the market day by day.
- (3) His position as a leader is improved when he proves he can "do it himself".
- (4) Personal production keeps the agency on a sounder financial basis.
- (5) The general agent who writes personal business retains personal independence.
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THE BOURSE PHILADELPHIA

Sales Ideas That Work

Well Planned Retreat Can Make Turndown

Backfire into Additional Opportunity

Confederation Life's monthly publication, Bulletin, gives a novel suggestion to the company's agents on what to do about making an exit after failure to sell to turn the situation to their advantage.

A good general prepares a line of retreat in case the battle goes against him, and a good salesman should know how to beat it tactfully after a turn down.

It is essential a salesman's retreat be in good order, and with impeccable manners. Nothing in his retreating should suggest that he considers the non-buying prospect a So-and-So. There should be no underlying sarcasm in the farewell address—"Many thanks for a most courteous hearing!"

Neither should the salesman retreat with a whipped and beaten air. The flag must be mast-high and the drums beating (metaphorically) just as in the approach. Every salesman must expect to encounter many turndowns, but if these are accepted temporarily in the right spirit, there is consolation in a parody of two well-known lines: "He who flops and turns away, will live to sell another day!" The problem is to find the right valedictory words. A

life insurance salesman has discovered a formula for farewells when he comes up against the stock objection to buy. "Later-on—later on!" says the prospect. "See me in three months." "I will make a note to do so," says the salesman, "but for whom shall I ask if you are not here in three months?"

Another suggestion is found in the method of a salesman who, on receiving an unmistakable and categorical "No!" thanks the prospect for the interview and withdraws unperturbed. At the door he turns and says: "I'll write you in a couple of days." Before the prospect can remark, "Write me, what about?" the salesman is gone.

A letter duly arrives signed by the salesman. Thanks for the interview are repeated with restraint and without fulsome. The sales presentation is gone over tersely and the statement added that the writer will call again in the near future. The salesman claims that this method pays off in a surprising number of cases.

The salesman's retreat after a turn down should be as carefully prepared as his approach. Properly conducted, it leaves the buyer wondering if he hasn't missed a bet.

he can easily send them preapproach literature or magazine reprints each month.

In the first interview with the prospect Mr. Tibbits brings out this point: There are many businesses making large earnings that have a relatively small amount of invested capital. However, when the federal government calculates the value of the company for the purpose of levying estate taxes, it is found that the business is appraised at four to 10 times its book value. Many corporate officers, he said, have found this out at a time when it was too late to do anything about it.

Mr. Tibbits tells the prospect: "Your share of the book value obviously isn't enough, for you are responsible for a good deal of valuable good will. You must guarantee that you will get a fair price for your share of the business if you decide to sell out, or that your family will get a fair price if you step out of the picture. For those that continue in the business, it must be a price that they are able to meet without delay, and one which will not jeopardize their continued operation of the firm."

It is then relatively easy to convince the prospect that a buy-and-sell agreement is the logical solution to his problem and that this agreement, to be executed between all the stockholders in the corporation, will provide for a transfer of the stock on the death or departure of a stockholder. This agreement would include a formula for the determination of a fair price, Mr. Tibbits said.

He brings out his company's special business insurance contract when talking to this particular type of prospect, but this or any plan like it, Mr. Tibbits cautions, must be accompanied by intelligent prospecting and careful qualification.

ASSOCIATIONS

Pa. State Institute Aug. 1-6

The annual institute of life insurance marketing sponsored by Pennsylvania Assn. of Life Underwriters and Pennsylvania State College at the latter college will be held Aug. 1-6. The staff will be furnished by Purdue University's life insurance marketing institute and Ralph H. Wherry.

Tex. Directors to Meet Jan. 22-23

Directors of Texas Assn. of Life Underwriters will meet January 22-23 at Austin.

Dallas—Benjamin N. Woodson, president of American General Life of Houston, spoke on "A New Look at Life Insurance Property."

Topeka—The association held its monthly breakfast meeting with Fred C. Thomsen, Springfield, Mo., district manager of Bankers Life of Nebraska as guest speaker. Mr. Thomsen has paid for half million of life insurance since March 1, 1953, when he first entered the business. New members introduced included Forrest A. Coop, Equitable of Iowa, and Maurice J. Cruickshank, Jr., of Fidelity Mutual, bringing the membership to 97. A sales seminar was announced to be followed by a luncheon.

Washington—The Silver Spring branch of the District of Columbia association at a luncheon meeting Jan. 6 will hear James G. Shuttleworth, Prudential vice-president, talk on "Organized Selling." The DCLUA first meeting of the new year will be Jan. 20 when Bernard L. Wilner award is scheduled for presentation to one selected "for accomplishment and sustained activity in the interest of the institution of life insurance."

Laporte, Ind.—Ben Lilves, Mutual Benefit Life of South Bend, spoke on "Business Insurance".

Waukesha, Wis.—Members were hosts to 30 patients from the Waukesha County hospital at a Christmas party; the wives of members assisted and a program of entertainment and gifts provided.

Tax Talk at Wichita

Kansas Assn. of A. & H. Underwriters at its December meeting at Wichita heard a talk by J. Lester Orr, supervisor of the estate tax group for Kansas of federal bureau of internal revenue. He talked on estate tax problems.

MacWhinney Raised at Newark

Kenneth W. MacWhinney, Jr., has been appointed associate general agent for John Hancock Mutual at Newark. Mr. MacWhinney has been supervisor there since 1950. A navy veteran, he is a graduate of the LIAMA management school and currently is president of Northern New Jersey Life Underwriters Assn.

Insurance Buildings with ADT

Among the newest buildings which are protected by Associated District Telegraph Co. are those of Pan-American Life at New Orleans, the Farm Bureau companies at Columbus, Improved Risk Mutuals at White Plains, N. Y., John Hancock in Boston, and Prudential at Houston.

W. S. Parker to Bergen-Eiber

BROOKLYN—The Bergen-Eiber agency of Mutual Trust Life has appointed William S. Parker as supervisor. He has been an agent of Mutual Benefit Life at New York City and before that was a school teacher and advertising salesman. He is an army veteran.

• **William L. Less, II**, senior partner in the New York City investment firm of D. H. Ellis & Co., has been elected a director of Columbian National Life.

• **Arwood Henderson**, superintendent of agencies of Aetna Life, addressed Columbus Life Managers & General Agents Assn. on "Agency Management Problems."

• **Actuaries of National Life & Accident and Life & Casualty** have been employed by the city of Nashville to make a survey of its employee's pension fund.

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Curtis Outlines Own SS Plan for '54 Congress

Rep. Curtis of Nebraska has proposed amendments to the social security program which would pay benefits now to five million more of the nation's aged, raise the minimum benefit to \$45 per month, extend coverage to occupations now outside social security, and liberalize the eligibility requirements.

The Curtis proposal would retain the present wage-related benefit structure by continuing monthly payments up to the present maximum of \$85, increasing to \$45 the monthly benefits for all those now receiving less than \$45, maintaining the contributory principle of the present law, and continuing the present trust fund arrangement.

Rep. Curtis said his proposals will be incorporated in a bill he plans to introduce on the floor of Congress early in 1954.

Although he is chairman of the social security subcommittee of the ways and means committee, Rep. Curtis emphasized that he was speaking as an individual congressman. He pointed out that his proposal is different from any other current proposal designed to improve social security. One novelty is that an individual whose sole income is from investments or rents or the like would pay, too. He said his proposal would increase the number getting OASI retirement checks from 4,320,000 to 9,620,000 and would increase the number of children receiving survivors benefits under OASI from 1,003,000 to 1,678,000, and the number of mothers of orphan children receiving OASI checks from 250,000 to 400,000. The \$45 minimum, he said, would mean a raise in benefits to 1,700,000 aged persons, 300,000 orphan children, and 100,000 widowed mothers who are already receiving benefits. He said his plan would make federal grants for old age assistance and aid to dependent children unnecessary.

The Curtis proposal would liberalize the present work clause by changing it to an annual basis with permissible earnings of \$1,000 a year.

L. J. Ackerman Elected Insurance Teachers Head

(CONTINUED FROM PAGE 1) were disabled. The student met with point-blank refusal to give out names of policyholders or to disclose any data on coverage held. The project was to get the names of policyholders in a limited area and then interview the people to check the adequacy of the benefits, but, of course, nothing could be done without the company's cooperation.

Mr. Bickley described a research project in Columbus, O., in which 100 families were interviewed to determine every type of insurance they carry. The interview took two hours and included the filling in of a 25-page questionnaire. The interviews have been completed and the project is now at the point where the researchers are about to analyze the findings to determine whether there is a correlation between economic status, family background and type of insurance holdings.

The project is sponsored by the Charles W. Griffith Memorial Foundation for Insurance Education, and is financed by a grant from the Farm Bureau companies of Columbus. When the correlation studies have been com-

pleted, representatives of top management of all branches of insurance will be invited to Ohio State University, probably late in February, to study the results and look into the desirability of a broader study of insurance coverages.

Mr. Bickley pointed out that one of the hopeful areas of insurance research is in the analysis of the market for insurance and the methods used to distribute it. There is a definite need, he said, for critical examination of the distributive methods in property and liability insurance to see whether the present agency system is meeting the needs of the public. Part of the Griffith study will be to determine if the public is being adequately serviced by the insurance agency force in all fields.

The speaker made special mention of a study made in 1950 by Alice M. Morrison at Iowa State College on "Consumer's Choice of Insurance," which pointed out some of the factors that should be considered by the buyer of insurance in allocating a portion of his budget to various types of insurance.

Mr. Bickley said that not only has a reluctance of insurers to open their files to researchers been observed, but with a few notable exceptions, the companies have not done anything to encourage research by making grants, as has been done to a considerable extent in some other lines of business. In addition to the Farm Bureau grant, he mentioned the contributions made by companies to the Huebner Foundation and grants made by New York Life.

Others who talked in the research (CONTINUED ON PAGE 16)

Travelers TV Aspirations in Step with Connecticut Insurance Law, FCC Says

FCC has denied the request of Hartford Telecasting Co. to throw out the application by Travelers Broadcasting Service for a TV station in Hartford on the theory that the insurance law of Connecticut does not permit such a venture.

The examiner at the hearing Jan. 18 will also include the question of funds the rivals for the channel have available for the venture, a point raised by Travelers. FCC noted Travelers has been operating a radio station in Hartford since 1928.

The hearing examiner decided to include in the dispute over the application the question of whether Travelers dominates the economic life of Hartford and would by having a television station exercise a monopoly. Travelers decided not to contest this decision, and will have to defend against this charge as well as the others filed by Hartford Telecasting at the formal hearings scheduled to start Jan. 18.

BRIEFS

• Stephen Fletcher has been elected as president of the Hamilton, Ont., CLU chapter. Fred Martin is vice-president and Arthur A. Burns secretary-treasurer.

• Jack E. Whitaker, vice-chairman of Hamilton National Bank, Chattanooga, has been elected a director of *Interstate Life & Accident*.

Clifford E. McDonald, director of agencies of International Fidelity of Dallas, spoke at the December meeting of *Kansas City Assn. of A&H Underwriters*.

• Kansas producers of Franklin Life heard sales talks by several of their leading associates at a meeting at Salina. Among the speakers was Elliott Belden, state manager, Salina.

• Thirty-two new members were inducted into the *Northwestern Mutual Life Quarter Century Club* at its annual meeting. Membership now is 413, made up of 299 active employees and 114 pensioners. The oldest member is John F. Tyrrell, 92.

Convention Dates

Feb. 8-10, Health & Accident Underwriters Conference, medical forum and annual group meeting, Drake hotel, Chicago.
 March 15-17, LIAMA, Small Companies Conference, Edgewater Beach hotel, Chicago.
 March 17-19, LIAMA, A&H spring meeting, Edgewater Beach hotel, Chicago.
 March 22-26, National Assn. of Life Underwriters, midyear, New Orleans.
 April 21-23, Life Insurers Conference, annual, Boca Raton Club, Boca Raton, Fla.
 April 23-25, Federation of New York Insurance Women's Clubs, annual, Auburn.
 April 26-28, LIAMA, Combination Companies Conference, Homestead hotel, Hot Springs, Va.
 April 29-30, Society of Actuaries, eastern spring meeting, Hotel Chalfonte-Haddon Hall, Atlantic City.
 April 30-May 1, Kansas State Assn. of Life Underwriters, annual, Salina.
 May 3-6, H. & A. Underwriters Conference, annual, Hotel Roosevelt, New Orleans.
 May 17-18, Assn. of Life Insurance Council, Greenbrier hotel, White Sulphur Springs, W. Va.
 May 21-22, Illinois Assn. of Life Underwriters, annual, Decatur.
 May 25-28, Canadian Life Insurance Officers Assn., annual, Seigniory Club, Montebello, P. Q.
 June 2, Fraternal Actuarial Assn., spring meeting, Edgewater Beach Hotel, Chicago.
 June 3-4, Society of Actuaries, western spring meeting, Edgewater Beach hotel, Chicago.
 June 7-11, National Assn. of Insurance Commissioners, annual, Sheraton-Cadillac hotel, Detroit.
 June 7-11, National Assn. of Insurance Commissioners, annual, Sheraton-Cadillac hotel, Detroit.
 June 14-25, American Life Convention, life officers investment seminar, Beloit College, Beloit, Wis.
 June 15-18, Million Dollar Round Table, annual, Hotel del Coronado, Cal.
 June 17-19, ALC medical section, annual, Grand hotel, Mackinac Island.
 Sept. 13-15, Bureau of A. & H. Underwriters, annual, Broadmoor hotel, Colorado Springs, Colo.
 Sept. 20-24, National Assn. of Life Underwriters, annual, Boston.
 Sept. 27-29, Life Advertisers Assn., Sheraton-Gibson hotel, Cincinnati.
 Sept. 27-29, Life Office Management Assn., annual, Shoreham hotel, Washington, D. C.
 Oct. 5-8, ALC, annual, Edgewater Beach hotel, Chicago.
 Oct. 13-15, Assn. of Life Insurance Medical Directors, annual, Royal York hotel, Toronto.
 Oct. 21-23, Mid-West Management Conference, French Lick Springs hotel, French Lick, Ind.
 Nov. 8-12, LIAMA, annual, Edgewater Beach hotel, Chicago.
 Nov. 15-16, H & A Underwriters Conference, underwriters forum, Hotel Roosevelt, New Orleans.



were earned by the Company at the Life Advertisers Association 1953 annual meeting for its new direct mail plan of Sales Promotion Letters and its new package sales kits, complete with phonograph training records, on Social Security, Retirement and Mortgage insurance . . . gratifying recognition of the high calibre of sales material consistently furnished by the Company to its Career Life Underwriters.



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EDITORIAL COMMENT

Research Is Worth Researching

When President Holgar J. Johnson of the Institute of Life Insurance told the institute's recent annual meeting that a willingness to accept the indications of research is perhaps more important than the adequacy of the research in meeting the challenge of change, he put his finger on an attitude that will doubtless be more of a stumbling block to progress in the insurance business—or any other line of endeavor—than lack of adequate research is likely to be.

Since research, after all, is just an organized endeavor to substitute facts for opinions, guesses, and hunches, reluctance to accept its indications is a curious phenomenon—and one that could well be a subject of more adequate research. One executive may distrust research because his greatest success has been with decisions based on intuition—the unconscious but highly skilled integration of a vast amount of background information. Often that works so well that it would take a lot of research to better it. The danger he faces is that, without his knowing it, conditions may change so as to kick the props out from under his intuitive decisions.

Another man may sincerely believe he is relying on research—without really knowing what research is. A good cure for this condition—though an expensive one—is breathing the dust raised by a research-minded competitor who has just whizzed ahead.

Another executive may make bad decisions based on sound research because he fails to realize that it doesn't cover enough ground to be relied on in charting a course of action. It doesn't take many such experiences to con-

vince a man or a company that research may be all right in the laboratory but let's have none of it in making business decisions.

Basic to the problem is the fact that no matter how intensive and extensive a research program may be, it takes an executive decision to implement its findings in a practical way. Sometimes the results of research are so obvious that no executive in his senses would go against them. But more often the decision must be the result of evaluation of the research findings along with all other apparently pertinent factors in an effort to find the wisest course available. It means a willingness to do a lot of concentrated thinking and to lay aside prejudice—which in turn means the ability and willingness to recognize one's own prejudices. For most people, thinking is hard work, exhausting and often baffling. It is far easier and pleasanter to cogitate and confer for what seems like a reasonable time and then make the decision on a "common-sense" basis and hope it's the right one.

The insurance business, of course, more than most businesses, relies on research for its day to day operations. It is in the field of future developments, meeting the challenge of change that Mr. Johnson was talking about, that there is the great need for true research-mindedness. There is already enough evidence of this spirit of research in insurance to assure its extension throughout the business, in time. The big questions are, How soon will it happen? And who will be the beneficiaries of it by their forehanding?

Statesmanship of a High Order Needed

Between now and March 20, when the National Assn. of Life Underwriters trustees meet to receive the report of the committee on the location of NALU headquarters, there will be much activity aimed at stressing the advantages of this or that city, and perhaps of specific sites in some of the cities.

There is bound to be a certain amount of partisan feeling. There is no local association that would not feel proud to have NALU located in its city. There is no state association that wouldn't feel the same about a headquarters location in its state. What

makes the situation more difficult is that these feelings, while admittedly influenced by home-town and home-state loyalty, are ordinarily entirely sincere. And even though one's own city is not in the running, it is a difficult matter to think about in a factual and objective way.

Yet that is the way the question must be settled if it is to have a chance of being answered right. For the right answer is not just one that is right for today or tomorrow but, in all probability, for from now on. NALU members now unborn will praise or damn the decision that is reached. That alone

should be enough to minimize partisan considerations.

What can be done to insure that the decision will stand the test of time? Would it be wise to get the reaction of the NALU national council before the board of trustees decides on a city? When the trustees, following the midyear meeting last April, decided on Washington as the headquarters city, they were evidently not reflecting the sentiment of the national council, for at the council meeting in August at Cleveland it was voted to recommend to the trustees that they reopen the location question—in effect repudiating the Washington choice.

There may have been good reasons for not sounding out the national council last April before making a decision and there may be good reasons for following the same procedure in March at the midyear meeting in New Orleans. It could be that the trustees, being the governing body of NALU and having the sole responsibility for making the decision, prefer not to throw the question into the larger arena of the national council, with perhaps greater possibilities of generating partisan debate.

Perhaps there are outside consultants who would be well worth their fee if they could bring objective, unbiased viewpoints to bear on this puzzling question. Yet there are some aspects of the decision in which no consultant could have enough background knowledge to be helpful and in any

event the decision is for the association to make, not for an outside expert, no matter how skilled he might be in such matters.

One point seems so obvious that it shouldn't need mentioning and that is that whatever city is decided on as the headquarters location should be the considered choice of a substantial majority of the board of trustees and if at all possible all of them. It should not be a compromise, the first choice of almost no one on the board but accepted only as a means of breaking a deadlock. It would seem wiser to take more time and try to get wholehearted agreement on whatever city is chosen.

Washington was chosen last April at Chicago as a compromise acceptable to those trustees who were against Chicago and those who were against New York as headquarters areas. The action of the national council last August in recommending the reopening of the location search was an indication of the danger of a compromise settlement.

Delaying the moving date of national headquarters beyond the expiration of the present lease is an unpleasant prospect but it would be a minor matter as compared with choosing a headquarters location that the members of NALU over the years would feel to have been unfortunate. But it should be possible to avoid either of these alternatives by the exercise of the high degree of statesmanship that the problem calls for.

PERSONAL SIDE OF THE BUSINESS

H. R. Smith, superintendent of agencies, Connecticut Mutual Life, has been named chairman of the National Society of Sales Training Executives annual fall meeting committee for 1954 and also a member of the planning committee.

Guilford Dudley, Jr., president of Life & Casualty has been elected president of WLAC-TV, Inc., at Nashville. The corporation will operate a third television station in Nashville, beginning early in 1954. Life & Casualty owns the new TV station. WSM-TV, owned by National Life & Accident, was the first Nashville station.

Alexander Mac Arthur, vice-president in charge of agency operations of Central Standard Life of Chicago, got back to his office Monday for the first time after having been out a month recovering from injuries suffered in an automobile accident. He still needs the aid of a cane but is making a very strong recovery. The accident occurred during a rain and with slippery road conditions, just by the Lake Forest hospital. He was enroute there to get

aid for Phil Stewart, who is a director of Central Standard Life and who had been injured in a skidding accident in his car while Mr. Mac Arthur was driving just behind him. Mr. Mac Arthur suffered a broken collarbone, shoulder and rib fractures, punctured lung and a concussion. He sprouted during his sojourn in the hospital a splendid Spanish grandee jet black beard and his friends now call him Rasputin.

Mrs. G. R. Kendall, whose husband is chairman of the executive committee of Washington National, is now able to get about outside for the first time after having suffered a heart attack several weeks ago. Her ailment delayed the Kendalls' plans to go to Miami Beach as is their wont for the season, but they are expected to be able to go later this month.

Associates of Mutual Benefit Life's Buffalo agency paid tribute to **Clay W. Hamlin**, Buffalo general agent, and to **Mrs. Lulu Cable**, his secretary for many years, at a dinner there. Mr. Hamlin, who is being succeeded by his

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—Life Insurance Edition

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son, Clay W. Hamlin, Jr., now associate general agent, has sold some \$50 millions of insurance in his 38-year career with Mutual Benefit. He has been general agent at Buffalo since 1929.

Representing the home office was John J. Magovern, Jr., vice-president and counsel, who paid tribute to Mr. Hamlin. Walter A. Schworm, a member of the agency, was chairman and toastmaster of the dinner.

Kenneth Mullins, vice-president of Washington National, and Mrs. Mullins have returned from a vacation trip to Hawaii.

James E. Bettis, general agent for Berkshire Life at Indianapolis, has been elected president of Indianapolis and Marion County Board of Weekday Religious Education.

Although he doesn't fall under the classification of life insurance company executive, any mention of insurance men who originated in Peoria would

not be complete without reference to **Shelby Cullom Davis**, head of Shelby Cullom Davis & Co., specializing in insurance stocks at 110 William street, New York. Under the caption "Peoria Breeds Executives", THE NATIONAL UNDERWRITER in its Dec. 11 edition noted that a number of life insurance men in high executive positions got their start at Peoria, including F. A. Schnell of Prudential; Chester O. Fischer of Massachusetts Mutual; Harold J. Cummings, Minnesota Mutual; Arthur Louette, People's Life; the late Lester O. Schriver, managing director of NALU. Mr. Davis qualifies in the Peoria Club as his father lived there all his 89 years. He died last January but during his last years Shelby Davis spent many weekends there with him. The name "Shelby Cullom" derives from the famous U.S. senator from Illinois, who was Mr. Davis' grand uncle.

Insurers' Group Plans Fall Into Blue Cross Class

(CONTINUED FROM PAGE 1) years, but they have been kept quiet. The few companies writing this type of business have been mum and they have not yet built up enough experience to know how they are faring. Now the meat packing industry contracts have brought this whole matter into the open. The insurers had to get in the union-made buggy or else, and results will be watched closely.

Indications are that with unions dominating welfare plan negotiations, the insurers will have to swing more and more to the Blue Cross method of providing full coverage under a service contract.

The meat plan has had an incidental reaction with American Medical Assn., which at its recent annual meeting adopted a resolution condemning the part of the plans which provide for a schedule treatment for anesthesia and for X-ray or radium treatments for malignancy. AMA says this is a service performed by an independent doctor and cannot be considered part of the hospital billing, and that hospitals and insurers are intruding upon the freedom of practice of the doctors.

Franklin Life distributed Christmas bonus checks to all salaried employees in the home office and field offices. One quarter of a month's salary was given to employees of a year's service or more, with proportionate amounts to those with less than a year's service. The company also entertained home office employees at a dinner dance attended by approximately 1,000.

DEATHS

ARTHUR C. LOUETTE, 62, president of Peoples Life of Indiana, died following an illness of three months. Mr. Louette joined the company in 1923 as agency manager. He later was named vice-president and a year ago became president. Mr. Louette at one time was field superintendent of Lincoln National Life at Fort Wayne, and before that had been with Indiana National Life.

HERMAN H. WITT 65, secretary of North American Union Life, Chicago fraternal, died at his home there. He had been with the organization for 40 years.

MRS. GRACE E. HULL, 80, wife of Nathan P. Hull, former president of the old Grange Life and also of American Annuity, died at her home at Lansing, Mich., after a three months' illness. Her husband survives.

ROBERT W. CREIGHTON, 68, since 1925 general agent in middle Tennessee and north Alabama for Provident Mutual, died in Nashville.

HERBERT W. MIZELL, 54, assistant secretary of Lamar Life, died at Jackson, Miss. He was a native of Eagle Mills, Ark. and had lived in Jackson 18 years. Officers and personnel of Lamar Life were honorary pallbearers at the funeral services.

ROBERT H. BEARD, SR., 72, president of the R. H. Beard local agency in Chicago, died there in Lutheran Deaconess hospital. Mr. Beard started in insurance 48 years ago as a soliciting agent in Muskogee, Okla. He operated his own office there and in 1915 went to Chicago as a broker, subsequently joining the Chicago Board of Underwriters as a class 1 agent. At one time he was an agent for Equitable Society and later became Chicago manager of Pan-American Life and subsequently was elected vice-president and general manager of Calumet National Life and Calumet Casualty, two Chicago local companies. When these companies merged with other institutions, Mr. Beard became manager of Philadelphia Life at Chicago and at one time was a vice-president and director of the company, continuing as general agent in recent years. Besides being a factor in insurance in Chicago, Mr. Beard operated in other parts of the country, having large accounts as far west as San Francisco and as far east as New York and Boston. Among those associated with him in the agency was his son, Robert Beard, Jr., who died suddenly last Sept. 3.

GEORGE D. WRIGHT, 80, of Nashville, who was associated with National Life & Casualty 30 years, died at the home of his son, R. Miles Wright, assistant secretary of the company.

HERMAN R. SCHWARBERG, 53, agent at Santa Monica for Occidental Life of California since 1949, died suddenly of a heart ailment at the Beverly Glen hospital. His wife, Georgine, is secretary to Vice-President William B. Stannard in the company's home office.

WILLIAM H. HOLMAN, former manager of Peninsular Life at St. Petersburg, Fla., died at his home. He retired Dec. 1 after 43 years with the company. He had served as president of the Florida Life Underwriters Assn. He started as an agent and became home office inspector, superintendent,

manager of a district office, manager of the policy and claim department, manager for agencies for the state and supervisor of ordinary sales for the entire company. He had served as manager of 13 district offices in Florida, Georgia, Virginia, Tennessee, Kentucky, South Carolina and the Bahamas.

GLENN D. MATHEWS, 56, editor and publisher of the *Insurance Magazine* of Kansas City since 1923, died suddenly at Santa Fe, N. M.

Agent Grant Ford and His Wife Featured in Article

Grant Ford, agent of Equitable of Iowa at Denver, and his bride of 10 months, Laura, are featured in an article in the January *Ladies Home Journal*. It is one of a series on "How Young America Lives."

• **Robert M. Leslie** has joined the staff of Kelley-Baum agency, general agents in Detroit for Manhattan Life. Previously in radio work, he is an army veteran of the last war.

• **Elizabeth Ferguson**, Institute of Life Insurance, and **Mrs. Angelica Bromshield**, New York Life, discussed efficiency in business research at a meeting of Special Libraries Assn. at Washington.

Cleveland Leads Big Cities in Rise in November Sales

Cleveland had the greatest rate of increase in ordinary sales for November, according to LIAMA, with 27%, while its gain for the first 11 months was 13%. Percentage gains for the month and year to date respectively for other large cities were Boston 15 and 12; Chicago 10 and 18; Detroit 5 and 25; Los Angeles 25 and 20; New York 9 and 15; Philadelphia 17 and 18; St. Louis 12 and 20.

• **Robert D. Smith** has been promoted to staff manager of Prudential's Miami district. He spent several years in government work and in a retail business before joining Prudential. He is an army veteran.

• **Elizabeth Ferguson**, Institute of Life Insurance, and **Mrs. Angelica Bromshield**, New York Life, discussed efficiency in business research at a meeting of Special Libraries Assn. at Washington.

Excellent Territory



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If You Live In Our Territory — We could probably help you with your plans because — No other company in our territory offers • •

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Life Insurance Company

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KANSAS CITY 6, MISSOURI

A GOOD COMPANY BY ANY STANDARD OF COMPARISON

Teachers Warned Blanket Solutions Don't Work

(CONTINUED FROM PAGE 2)

of all the experts in the insurance business who have investigated this equipment, only a few have expressed an opinion. Those who have done so are divided into two camps of widely conflicting views.

One group is pessimistic and thinks that the equipment is too costly and not necessary, Mr. Lang said. The other and larger group is composed of optimists who think—or at least hope—that push-button control for all clerical operations is just around the corner. The answer can be expected to be somewhere in between, said Mr. Lang, and the extent to which this equipment is adopted will depend upon the cooperation between the companies, the manufacturers, and the research done by both. The need for detailed "programming" to feed information into the machines is "only another call for the scientific approach to management," said Mr. Lang, "since management research and planning are prerequisites for the successful use of electronic machines."

Mr. Lang said that some of the most extensive research and planning activities are maintained by a company which uses separate planning units as an adjunct to many of its major operating departments. For example, the research unit connected with the sales department conducts studies designed to interpret and forecast trends in sales

production, permanency of policies in force, growth of business in force, sales costs, competitive strength, etc.

It analyzes the insurance market by companies, coverage, potential premium income, service and facilities required. It develops questionnaires and conducts sales surveys. It recommends current and long range quotas. It prepares and maintains budget controls. It develops and recommends criteria for establishing operational facilities in field offices. Finally, it prepares and maintains sales statistics, records, control reports, and cost accounting records.

Following a study of the potential market for polio insurance an active sales program for this type of policy was initiated," Mr. Lang said. "This indicates the value of research in promoting sales. Another study conducted by the sales research unit sought an explanation for the decline in the renewal of fire policies. The company management was then aided by the facts obtained from the study in its attempt to solve this problem."

This company's public relations research unit evaluates the effect of government insurance programs, studies in relationship of general economic conditions to the insurance business, studies of public's insurance requirements and the company's ability to meet them, analyzes the community's acceptance of the company's activities, examines state and national laws and regulations and analyzes means of accident and fire prevention and interprets over-all accident trends.

Mr. Lang said quite a number of insurers have applied scientific procedures to personnel administration and found them of great value.

Careful research is necessary before installing an employment testing program, since much information is needed to determine the extent to which tests are valid in predicting success or failure for particular jobs. One insurance company, which considers its program of employment testing a very profitable one, estimates that through it the percentage of applicants who succeed on the job has increased by more than 20% and that this increase in successful hiring saved it \$100,000 as against \$15,000 for the cost of administering the tests.

This company also discovered a correlation between interest patterns and degree of success on a particular job. A man scoring high has six times as much chance of being an outstanding success as one who scores low and only about one-third as much chance of being a failure.

The company also made a study of all field representatives hired in 1946 and 1947 after they had been in the field for a year. Since no one was hired during this time who had a very low score, the range was not so great as in the previous study. The study did reveal however that the high scoring group is three times as likely to achieve outstanding success as those who make low scores and that the high scores have 22% less chance of being rated average or poor.

This insurer also considers the scoring on a mental alertness test as critical in predicting "promotability" of an applicant. Scores of men hired in the home office underwriting department in 1940-48 and the type of job held in September, 1952, showed the company that while 79% of the high scoring group reached some type of underwriting job in the period studied, only 11% of the low scoring group had attained that level.

Another company makes extensive use of the psychological evaluation of employees, not just in hiring them but in conferences held periodically during employment. Close agreement has been found between the psychological indications of potential ability in the employee's actual performance. Where there is disagreement, there is a careful investigation into why the employee's performance is not better. The psychologist in charge of the program is responsible only to the president.

Mr. Lang also discussed the use of scientific management in company organization work, particularly in the association with which he is connected. In the marketing field some pilot studies of present and potential markets have been made on consumers' opinions on coverages they intend to buy, agents' opinions on coverages they believe will be sold, and estimates of insurable risks which are not covered. For example, it was found that even in as wealthy a county as Westchester in New York, less than a quarter of those covered in a survey carried burglary insurance.

Research can also be the basis for determining what policies and procedures can or should be adopted to gain the maximum of public good will, said Mr. Lang. Since public relations is a two-way street, studies can interpret public opinion to management and also determine the best means of carrying the company's messages to the public. In the first field, Mr. Lang's department has maintained a collection and analysis of a number of public opinion polls and surveys containing information about the attitudes of various groups with which insurance companies have contact and has also cooperated in planning and executing of opinion polls and surveys relating to the issues of importance to insurance operations. In the second field, it has conducted a few studies on advertising research techniques, evaluating the effectiveness of national advertising response sponsored by insurance companies.

Public relations, said Mr. Lang, offers a vast field for the application of the scientific method which insurance companies should take advantage of. Tools have been evolved—personality tests, for example—which give an insight into the reasons why certain attitudes develop or fail to develop. Other possible research approaches would include the accumulation of case histories or the establishment of public panels to test reactions for various forms of communications.

NQA Deadlines Set

U. S. agents have until Jan. 31 to submit applications for the 1954 national quality award, LIAMA and National Assn. of Life Underwriters, co-sponsors, have announced. Home offices must relay these applications to NALU headquarters by Feb. 28.

Qualifications for ordinary and combination agents are a persistency record of at least 90% on ordinary paid business of 1952 and 1953; a minimum of \$150,000 production on at least 15 lives each of the two years; a two-year record as a full-time agent; and membership in a local life underwriters association. Combination agents also may qualify on persistency of weekly premium business alone.

The Arthur Milton agency of Postal Life presented George Kolodny, president, a birthday "gift" of \$1,064,799 of business on 120 applications—all written in the five weeks prior to Dec. 18, the president's birthday. The average size policy was \$8,873 and included no group or wholesale.

Plan 4 Lincoln National Sales Meets in January

The first of four three-day sales conferences to be held by Lincoln National Life this month will get under way Jan. 6 at Hollywood By-The-Sea, Fla. Approximately 200 top agents will attend each of the meetings. The second session will also be held at Hollywood By-The-Sea with the last two scheduled for New Orleans.

Agents from 11 eastern states will attend the first meeting and will hear talks by A. J. McAndless president Walter O. Menge, 1st vice-president Cecil F. Cross, vice-president and direct of agencies; Harry J. Shaffer and Jack E. Rowles, 2nd vice-presidents and directors of agencies; Thomas A. Watson, group sales manager; John P. White, advertising manager, and the following agents: G. Allen O'Neal West Palm Beach, Fla.; Irving J. Abramowitz and Albert K. Baylow, Baltimore; Julian A. Bryant, Roanoke, Va.; John C. Gregsamer, Chicago; William Klein, Beckley, W. Va., and Walter L. Pool, Norfolk, Va. Lewis W. S. Chapman, director of company relations of LIAMA, will deliver the final address.

Bankers, Nebraska, Names California General Agents

Bankers Life of Nebraska has appointed Robert G. Teegarden general agent at San Jose, Cal., and F. X. Sullivan general agent at San Francisco. Mr. Teegarden entered the business in 1940 at Portland, Ore. He will head sales activities in Santa Clara and four other counties. Mr. Sullivan's territory will include San Francisco and ad-

acent counties.

800 at Acacia Celebration

More than 800 Acacia Mutual Life home office employees attended a luncheon at Washington honoring the diamond jubilee anniversary of President William Montgomery. On behalf of the employees, a check for \$3,000 was presented to Children's Hospital for dedication of a room in Mr. Montgomery's name.

Spencer McCarty Weds

Miss Barbara Allen Baker of Albany and Spencer L. McCarty, Provident Mutual, executive secretary of the New York State Assn. of Life Underwriters, were married in Albany at Trinity Methodist Episcopal Church, Albany. Mrs. McCarty, a graduate of Russell Sage College of Troy, is on the administrative staff of Rensselaer Polytechnic Institute of Troy. Frank H. Wenner, general agent of Connecticut Mutual at Utica, was Mr. McCarty's best man. Following a wedding trip to Bermuda, Mr. and Mrs. McCarty will be at home after Feb. 1 at 98 Delmar Place, Delmar, N. Y.

6½ Million Squibb Bldg. Loan

NEW YORK—Metropolitan Life is lending \$6½ million on a first mortgage in connection with the recent purchase of the Squibb building in New York City, which was bought for \$10 million by the same group that bought the Empire State building in New York City two years ago.

The Outboard, Marine & Manufacturing Co. has placed with Mutual Life a \$2½ million 4½% note, due in 1967. Proceeds will be added to working capital.

THE COMPANY
BY THE GOLDEN GATE



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job in a quality market
...the West Coast...with
working conditions ideal
the year around...a great
place to build a life
insurance career!

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Dallas, Texas

1953 a Lively Year for Life Insurance News

(CONTINUED FROM PAGE 3)

narrow down to the costs of catastrophic illness and accidents. Some observers noted that the questioning by Rep. Wolverton and other committee members seemed to point in the direction of federal supervision of insurance, although none of them indicated that they were wedded to this aim.

However, these manifestations, combined with the senate judiciary committee investigation of mail order A&H insurance, caused some wondering among insurance people as to how much push for federal regulations should be inferred from these Washington phenomena.

The behavior of the financial markets had considerable significance for the life insurance business during 1954. The rise in interest rates that reached its peak around June generated hopes that it indicated a long period of good earnings on new investments. But there has been a decline instead. The possibility of still lower rates and the recollection of the wholesale refunding of bond issues back when rates were being artificially depressed to permit the government to borrow cheaply caused many life company investment executives to yearn for a non-callable provision in bonds they were buying. This was more readily accomplished for the issues placed privately with the largest companies than where an issue was being sold to the public, with no buyer representative on hand to negotiate for provisions advantageous to the future owner of the securities.

Inclusion of a non-callable feature ran into something of a snag in the placing of a couple of utility issues, however, because the securities and exchange commission took the view that the borrowing corporation was failing to do its financing as economically as it should if it agreed not to call. The SEC agreed to the non-call provision, though with such reluctance as to make future prospects for inclusion look dim.

The higher level of interest rates helped to make insured pension plans relatively more attractive in comparison with trusteed plans. Interest rates also had an effect on the bank loan plan of buying life insurance, since an essential part of the plan is to borrow at a low rate.

Higher interest rates and the decline in stock market prices cut into the popular appeal of mutual fund shares as a competitor of life insurance, in spite of the success of these investment companies in getting approval in New York for covering through group life insurance the unpaid balance in a long-range program of share-buying.

The same combination of higher interest rates and lower stock prices also kept the equity annuity plan from spreading to private industry to any appreciable extent. The concept of an annuity with income varying inversely with current purchasing power of the dollar had already been developed as an adjunct to Teachers Insurance & Annuity's conventional annuities and while there was a limited adoption of the idea in industry—notably Long Island Lighting Co. of New York—it caught on much less rapidly than its advocates had hoped.

One effect of higher interest was widespread increases in policyholder dividends for 1954.

Bigness was a bother in various ways. Milam, one time racket lord who was

during the year: Big amounts on executives covered under group life plans; jumbo lines on individual applicants that might turn up as overinsurance should the well-advertised recession actually take place; the piling of group to group to provide as much as \$80,000 per life in some fairly small groups; big lines of A&H wanted by corporations to provide tax-free windfall for key executives, following the internal revenue bureau ruling that self-insured plans of this type wouldn't qualify for exemption from income tax when benefits were paid; multiplicity of meetings of life insurance organizations, no worse than in former years but more in the spotlight because of the recommendations of the joint LIA-ALC committee headed by President Louis W. Dawson of Mutual Life.

The Dawson committee recommendations crystallized into action in at least one organization before the year-end: The Assn. of Life Insurance Counsel voted not to hold its customary December meeting in 1954.

Hope loomed for the tax-harried general agents who foresaw the graduated income levy taking a cruelly large bite of their renewal commission run-off in the years immediately after retirement or death. This sign in the heavens was the unanimous decision in November of the U. S. circuit court of appeals at Chicago that the tax court had been right in saying that a general agent could elect—in advance—to take his renewal commissions on a leveled out basis rather than as they would normally be paid. The revenue bureau has 90 days from the date of the decision to try to get the Supreme Court to review the case but in spite of that general agents have been permitting themselves to feel pretty good about the outcome.

The popularity of owning a life company or a piece of one took a great spurt in 1953. Many new companies were formed, most of them in Texas, where their spawning was accelerated by (1) the minuscule ante required to start a company and (2) the fear of legislation that would raise the ante.

All in all, 1954 in life insurance has been a year full of what newspaper men refer to as "spot" news. And there are plenty of indications that 1954 is going to be just as lively.

Syracuse Managers Elect

SYRACUSE—John J. Knane, Union Mutual, has been elected president of Syracuse Life Managers Assn. Other officers are Thomas Cantwell, New York Life, vice-president; Harry C. Copeland, Jr., Massachusetts Mutual, secretary; Evan Conklin, Equitable of Iowa, treasurer; Harold Scott, Penn Mutual, member of executive committee.

State Mutual Shifts Thayer

Ben G. Thayer, who has been head of State Mutual Life's group office in Cleveland, has been transferred to Atlanta, where he will be in charge of Georgia, Florida, Alabama, and parts of Tennessee, North and South Carolina.

Award Murder Victim's Proceeds

BARTOW, FLA.—The former wife of a murder victim was awarded the proceeds of the victim's insurance policy and his wife was denied a claim to the policy, in judgments given by the circuit court.

Mrs. Hytha Marie Edenfield Milam Sylvester was granted a summary final judgment in her suit against Jefferson Standard, awarding her the proceeds of the policy on the life of E. D.

slain in gangland fashion last May. Another order given at the same time prevents payment to Mrs. Mary M. Milam, widow of the murdered man. The beneficiary on the policy was listed as Mrs. Sylvester, and although Mrs. Milam contended that Mr. Milam had ordered the name of the beneficiary changed, the company had received no order for such a change. Because of the litigation, the company had held up payment of the policy.

Beneficial Life Utah

Names Barber, Porter

Beneficial Life of Utah has appointed D. Keith Barber general agent at Pasco, Wash., and Kenneth W. Porter field training supervisor.

Mr. Barber's territory will include the counties of Garfield, Columbia,



Kenneth W. Porter



D. Keith Barber

Walla Walla, Benton, Yakima, Kittitas, Grant, Franklin, in Washington, and Umatilla county in Oregon.

Mr. Barber joined the company at Tahoma in 1946. Mr. Porter, who will be located at the home office in Salt Lake City, went with Beneficial Life in 1952 at Sacramento.

K. C. Luncheon Jan. 10

Speakers at the all-industry insurance luncheon of Kansas City Jan. 10 will include Leonard Milstead, president of the Kansas City CPCU chapter; John Darling, president of the Kansas City CLU chapter; Earl McGrath, president of University of Kansas City; W. E. Bixby, president of Kansas City Life; and David Beals, chairman of the university. CPCU diplomas will be awarded.

• Nashville General Agents & Managers Assn. heard a talk on "Estate Planning in Every Day Practice" by J. William Coles, trust officer of First American National Bank.

Progress of Fellowship Plan Told By Ackerman

NEW YORK—In an effort to provide better understanding in college classrooms of "insurance at work," 46 life, fire, casualty and surety companies awarded 79 fellowships to teachers for study of home office procedures and practices during the three years the summer fellowship program has been in effect.

Laurence J. Ackerman, chairman of a coordinating committee representing all phases of the insurance business, and American Assn. of University Teachers of Insurance, released a progress report summarizing the development of the fellowship program. The report emphasized that each year more and more teachers and companies have participated in the program. During 1953, 33 fellowships were awarded, an increase of seven over last year, and nine over the previous year.

Mr. Ackerman, dean of the school of business administration at the University of Connecticut, pointed out that the fellowships embrace individual courses of study ranging from four to six weeks, the curriculum being adjusted to the interests of each fellow. He declared that the opportunity for study under day-to-day conditions is expected to lead to improved college teaching of insurance subjects through the development on the part of the fellow of a broader knowledge of company operations and of current problems facing the business. It is also expected that the program will help build good will for the business.

Administrative work in carrying out the 1953 summer fellowship program was performed, under Mr. Ackerman's chairmanship, by a coordinating committee composed of Dean Harry J. Loman, of the American Institute; H. G. Kenagy, assistant to the president of Dickenson College; George G. Traver, manager public relations department of National Board; Harold K. Philips, manager public relations department of Assn. of Casualty & Surety Companies; John S. Hamilton, Jr., secretary American Mutual Alliance, and Donald E. Lynch, director public relations of Mutual Benefit Life.

Plans for the 1954 program now are being prepared.

QUALITY MARKS
"One of the Best"

Purely Mutual Operation
 Over Half Century Service
 Highest Possible Rating
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 Growth... 50% in 6 years
 \$365,000,000. Insurance
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Trained General Agents
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Life Underwriters and General Agency minded men Both like "ONE OF THE BEST" FOR A BETTER FUTURE.

CENTRAL LIFE ASSURANCE COMPANY • DES MOINES, IOWA

Bankrupt Policyholders Present New Problems Because of Untested Changes in 1938 Statute

Because of the high level of prosperity in the last 15 years life companies have been relatively free from problems incident to the bankruptcy of their policy owners since the passage of the Chandler act of 1938 revising the bankruptcy laws. However, if there is a recession the companies will find these problems different in several respects from what they were before the Chandler act became effective, Jere T. Tipton, general counsel of Volunteer State Life, pointed out in his paper presented at the winter meeting of the Assn. of Life Insurance Counsel in New York City.

While the Chandler act makes several changes directly affecting a life company's problems when a policyholder becomes bankrupt, few court decisions construing the act's changes and added provisions have been handed down.

One change is that the court's jurisdiction to adjudge a person bankrupt is now vested in the bankruptcy court within whose territorial limits the person has had his principal place of business, domicile, or has resided for more of the preceding six months than in any other jurisdiction. Previously it was the "greater portion" of the preceding six months.

The act also disallows any exemption to the bankrupt out of property transferred to or concealed by him but which is avoided or recovered for the benefit of the estate, unless the transfer was by way of security only and the property recovered is in excess of the amount secured. In the latter case, exemptions may be allowed out of the excess. Another section prescribes the duties of the trustee,

including the limiting words, "if claimed", in regard to the trustee's duty to set aside exemptions allowed the bankrupt by state law.

Title to the bankrupt's property now vests in the trustee as of the date the petition is filed. Previously the title was vested as of the date of adjudication. Another change is that availability of the life insurance proviso is now limited to a bankrupt "who is a natural person." One completely new provision in the act defines and limits the conditions under which a person may deal with the bankrupt and his property after bankruptcy and still be protected.

The rights of a bankrupt to the exemptions granted by state law are paramount to any claim the trustee may have to the policy values.

One case was cited by Mr. Tipton as establishing the rule that if a life insurance policy has no cash surrender value, whether through policy loans against it or otherwise, the trustee acquires no interest in it and the policy remains the property of the policy owner, free of all claims of the bankruptcy creditors. Even though the policy is assigned by the bankrupt by an absolute assignment nevertheless it is still subject to redemption.

It has also been held, Mr. Tipton said, that the cash surrender value of a policy not exempt under state law in which the unrestricted right to change the beneficiary is reserved passes to the trustee subject to right of redemption. Therefore, the cash value of the non-exempt policy subject to such power becomes an asset of the estate.

A question that may arise in the

case of a bankrupt policyholder is what, if any, is the liability of an insurer who pays the cash surrender or loan value of a policy to the owner in the ordinary course of business pursuant to policy provisions after bankruptcy, but before receipt of notice that bankruptcy proceedings are pending. Cases decided before the 1938 law gave the answer to this question as "none." No cases have been found construing it since the new law was passed.

However, in the Chandler act, a time limit is placed on protected dealings with a bankrupt or his property after bankruptcy: (1) adjudication or (2) the taking possession by the receiver or trustee of the greater portion of the bankrupt's non-exempt property, whichever occurs earlier. A person indebted to the bankrupt or holding his property is permitted to pay the debt or deliver the property to the bankrupt within his time limit, if acting in good faith, just as though bankruptcy had not intervened.

In one case now pending, the court will probably have to consider the effect of section 70d on policy loans made in good faith by companies after bankruptcy and possibly after the time limit fixed, but before notice of bankruptcy. If the law is given its strict literal construction it will, in effect, be going back to the doctrine that the filing of a petition in bankruptcy is a "caveat to all the world" and a person, however innocent, thereafter dealing with the bankrupt, or his property, does so at his peril, Mr. Tipton said.

This doctrine has been the object of much criticism, particularly in cases involving good faith payments by banks and insurance companies, made in the ordinary course of business. In the event of such construction, these institutions would be able to avoid or minimize the possibility of double payments only by a prohibitive degree of vigilance.

The alternative construction would be for the court to take the position taken before the 1938 amendment—adopt a strict construction where there is evidence of lack of good faith, but adopt a liberal construction where innocent parties have dealt with a bankrupt after bankruptcy in good faith and without notice of bankruptcy, and particularly where such dealing is in fulfillment of an existing contractual obligation.

Factors which seem to be controlling in cases Mr. Tipton cited are (1) that payments were made in good faith in the ordinary course of business and without notice of bankruptcy; and (2) that they were made pursuant to pre-existing contractual obligations to do so.

The question seems to include the right of an insurance company, after default in premium, to apply non-forfeiture values for the purpose of continuing a policy as extended term insurance, after notice of bankruptcy, but before the trustee makes demand for the cash value. That the company has such a right, assuming appropriate policy provisions, seems clear from previous judicial decisions, Mr. Tipton said.

What is the right of the trustee to the cash value when he is unable to surrender the policy because it is lost or destroyed, or in the possession of someone, including the bankrupt, who refuses to turn it over to him, or when for any other reason the trustee is unable to surrender it?

The answer seems to be that if

failure to surrender the policy will jeopardize the company's interests as by subjecting it to possible double liability, the company may refuse the trustee's demand for the cash value unless the policy is surrendered, Mr. Tipton said. If, however, no interest of the company will be jeopardized by failure to receive the actual policy and the trustee is unable to surrender it the company will not be permitted to withhold payment of the cash value to the trustee if he is otherwise entitled to it.

A question confronting a company every time demand is made on it for the cash value of a policy is whether the trustee can make a binding and effective surrender of the policy. The answer is that he can do so only if the surrender has been authorized, or is approved by the bankruptcy court.

Another problem that may arise is who can take advantage of the right given by the amendment to pay the cash value to the trustee and redeem the policy? The courts have decided that no one can redeem it except the bankrupt, who under the Chandler act must be a "natural person."

The bankruptcy act confers jurisdiction on courts of bankruptcy to determine claims of a bankrupt to his exemptions, which he must claim and when claimed, makes it the trustee's duty to set them apart to the bankrupt. In determining the areas of application of the state and federal laws, the courts hold that the nature and extent of the exemptions to which a bankrupt is entitled are determined by state law as construed and applied by the courts of that state.

However, the manner in which exemptions are to be claimed, set apart and awarded, is determined by federal law. In the absence of state court construction, the federal courts place their own construction on state exemption statutes. A bankrupt's right to exemptions allowed by state law is determined as of the date the petition is filed. While title to exempt property does not vest in the trustee nevertheless he is entitled to temporary possession or custody of it for the purpose of identifying it and so that the bankruptcy court may determine the bankrupt's claim to exemptions.

With a realization of the various problems that can confront an insurance company when a policyholder becomes bankrupt, the problem comes to mind, What can the company do to avoid entrapment?

Notice of bankruptcy frequently comes to a company before demand by the trustee for cash values. In such cases it is the practice of one company to write the bankrupt and suggest that he inquire of his attorney if the cash value of his policy is exempt under state law and if it has been claimed in the schedules. If the policy is not exempt, the bankrupt is advised to make every effort to redeem it, and the idea of a maximum policy loan, if available, is suggested to permit him to pay the trustee the amount of cash value.

In all instances, when the trustee seeks the cash value the company should insist upon a certified copy of the order of court authorizing the surrender of the policy. Except in cases where the company's interests could not possibly be jeopardized by the policy's being surrendered, no payment should be made to the trustee without the surrender.

Finally, provision could be made in applications for policy loans or for

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P.M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

LIFE INSURANCE SALES EXECUTIVE

Assistant Superintendent of Agencies needed by well established Eastern Company. Will have primary responsibility for stimulating and training A&H agents to write life insurance. Selling experience essential; supervisory experience desirable. Will be located in Chicago with some travel required. Write age, education, experience.

Box No. V-92, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Want to be a Life General Agent?

Opportunities in Mississippi, Arkansas and Kentucky (some personal-producing general agent openings.) Top commissions. Extensive line with unique policies and attractive savings plan. Set-up ideal for experienced agents who can sell and want their own agency. Old line mutual legal reserve company. Our men know of this ad. Write Box V-44, The National Underwriter, 175 W. Jackson, Chicago 4, Ill.

MILITARY GENERAL AGENTS WANTED

No restrictions as to rank. World Wide Coverage. No War Clauses. Top Commissions. For more information write to Box V-97, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Top Life Ins. man to manage Life Dept. in So. Calif. office. Large long established gen. ins. & mtg. loan Co. opening Life Dept. Exceptional opportunity. Box V-83, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY MANAGER

Old Line Legal Reserve, full capital stock company desires services of a man capable of building and maintaining an Agency. Only two whole line companies domiciled in this State. Opportunities unlimited. Our company agency minded. Write Box V-85, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY SUPERVISOR AVAILABLE

Chicago Life Agency Supervisor considering move to San Francisco area. 14 years associated with Life companies, home office, sales and supervisory work. Aged 37—Veteran, wife and one child. Interested in developing brokerage in general agency or personal supervision in Life Agency. Address V-96, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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policy will be obtained cash values for a statement under oath by the policy owner that bankruptcy proceedings are not pending by or against him. Regardless of whether this would give the company any actual legal protection, it might have a deterring effect on a policyholder otherwise inclined, through ignorance or intention, to ignore his bankruptcy proceedings when making such request.

A. B. Olson Retires as World Agency V-P, 40-year Veteran

A. B. Olson, agency vice-president of World of Omaha, has retired after completing 40 years in the insurance business.

Starting in 1914 with Bankers Life of Nebraska as a part-time agent, he later opened a general agency for the company at Omaha and in 1927 went to the home office to take charge of the agency department. He joined Guarantee Mutual

Life as agency vice-president in 1935, became a director in 1937, and in 1950 retired under the company's retirement plan.

Mr. Olson for three years was director of the old Life Insurance Sales Research Bureau and also helped organize at Omaha one of the first general agents and managers associations.

North American Life Makes High-Level Shifts

North American Life of Canada has made several changes on its senior departmental officer level. They include George Ryrie, appointed to assistant general manager and chief actuary; J. A. McCamus, assistant general manager in charge of agencies; M. A. Bradshaw, assistant general manager in charge of investments; E. H. Hanley, director of agencies; A. S. Burton, treasurer; E. D. Gibb, actuary, and D. T. Weir, underwriting executive.

These men will work with J. S. Killgore, general counsel and secretary, and W. J. Burgar, comptroller.

Union Labor Ups Two

George Holland, vice-president in charge of investments of Union Labor Life, has been named vice-president and financial coordinator. He will have additional responsibilities involving the financial operations of



George Holland



Joseph Malzo

the company. He has spent his entire business career in insurance. He joined Union Labor Life in 1942 as an accountant, and became assistant treasurer. In 1952 he was named vice-president.

Joseph Malzo, mortgage office, becomes vice-president and mortgage officer. He joined Union Labor Life in 1935, was appointed cashier in 1940 and mortgage officer in 1945. In 1951 he was president of Society of Residential Appraisers.

Promote Home Life Men in Agency Department

William W. Stewart, Jr., David H. Vanderwart and Benjamin E. Herrmann have been named assistant managers of agencies by Home Life.

Mr. Stewart and Mr. Vanderwart will each be responsible for a group of company agencies. Mr. Herrmann will be responsible for general administration of agency facilities and office personnel.

Mr. Stewart began his career at Home Life in 1948 as a college trainee. He specialized in a study of Home Life's agency selection procedures and later became an agent in New York City. In 1952 he returned to the home office as assistant to the manager of agencies to administer the company's agent selection program and other phases of agency department administration.

Mr. Vanderwart is also a product of Home Life's college recruiting and trainee program. He joined the agency department in 1946 and concentrated on various personnel projects. After marine corps service he returned to Home Life in 1951 and in 1952 was named assistant to the manager of agencies. He has been in charge of recruiting of new organization and other activities of the agency department.

Mr. Herrmann joined the company in 1937 and, after training in the home



W. W. Stewart

the American Artists Group, presenting the work being done by foremost contemporary artists.

Bankers Nat'l Revises Juvenile, Cuts Term Rates

In the first of a series of announcements on new or revised practices and policies, Bankers National Life has introduced a new jumping juvenile policy, an increase in the cash values of its preferred risk ordinary life policy, and a premium reduction on all term policies.

The jumping juvenile plan, issued from 0 to age 14, provides that each \$1,000 of insurance issued before age 14 becomes \$5,000 of endowment at age 55 automatically at age 21. The juvenile guaranteed estate, as it was formally known, provides for a refund of the standard annual premium for death prior to age 21 and waiver of premium for the death or disability of the applicant. The policy is written non-medically.

Effective Jan. 1, the cash values and nonforfeiture values of the preferred risk ordinary life policy will be higher at all years and will be equal to the full net level reserve at the 20th year and thereafter. There will be no change in premiums.

Also effective Jan. 1 will be a new schedule of premium rates applying to all term contracts and providing lower premiums at the great majority of ages. A new dividend scale, applicable to term policies, will also be introduced. The changes will pertain to preliminary term, annual renewable term to age 65, five year term, ten year term, level premium term to age 65, guaranteed provider reducing term and 20 year term.

Wilson Gets Higher Status

W. F. Wilson, manager of the Corpus Christi unit of the J. L. Lawrence agency of Lincoln National Life, has been named general agent at Corpus Christi.

Mr. Wilson entered life insurance with Lincoln National Life in 1947 in the Panama Canal zone. He went to Corpus Christi in 1951. He is a navy veteran.



W. F. Wilson

office, was assigned to the agency department. He transferred to the Washington, D. C., agency in 1941 as cashier and then served for a time in the New York collection office. He returned to the home office in 1943. After air force service he returned to the agency department in 1946 and was appointed field administrative assistant in 1951.

Ensley District Manager

Carl L. Ensley, training consultant in Prudential's main home office in Newark, has been promoted to manager of the company's South Hills (Pittsburgh) district, succeeding George M. Gump, who now heads the Horseshoe Curve (Altoona, Pa.) district.

Mr. Ensley joined the company as an agent at Greensburg, Pa., in 1945 and became staff manager there in 1948. He joined the home office in 1952.

Continues Calendar Series

During the holiday season this year Connecticut Life released 100,000 fine art calendars featuring 12 full-color reproductions of paintings by famous American artists. They depict various parts of the country during the different seasons. It is now 15 years since the company began publishing the series of calendars in cooperation with

W. J. Adams, A. H. Lemmon Get Canada Life Promotions

Canada Life has appointed W. J. Adams vice-president and secretary, and A. H. Lemmon vice-president and treasurer.

Mr. Adams joined the company in 1925, serving successively as mathematician and associate secretary, comptroller and secretary and assistant to the president and secretary. A fellow of Society of Actuaries, he is a past president of both Life Office Management Assn. and Life Insurance Institute of Canada.

Starting with the company in 1928, Mr. Lemmon served as secretary of the bond department and assistant treasurer before being named treasurer in 1946.

Canada Life also has named J. Q. Strong executive assistant. During his 25 years with the company he has served as secretary of the agency department, assistant superintendent and for the past five years as comptroller of agencies.

Lead N. Y. Scout Drive Life Insurance Units

NEW YORK—Stanton G. Hale, vice-president and manager of agencies of Mutual Life and chairman of the insurance division of the 1954 finance campaign of the Greater New York Councils of the Boy Scouts, has announced the names of the chairmen of the four committees comprising the insurance division. On the life side are Paul A. Norton, regional vice-president of New York Life, who is chairman of the life insurance executives committee, and George M. Selser, vice-president United States Life, who heads the committee on life insurance agencies.

A vice-chairman has been named in each home office to be responsible for the campaign there. Life home offices are under the supervision of Mr. Norton and William J. Barrett, secretary of Metropolitan Life.

The councils seek \$857,300 to rehabilitate recreational facilities, train additional volunteer leaders, and take care of the operating needs for the year. The drive opens officially Jan. 6 at the traditional "dawn patrol" breakfast at the Waldorf-Astoria, where Henry Cabot Lodge, Jr., U. S. representative to the United Nations, will be the principal speaker.

Pru. Keeps Dividend Scale

Prudential's 1954 dividend scale for policies having anniversaries in January and February will apply throughout the balance of the year. The scale calls for increased dividends on most policies issued since the beginning of 1942 and a continuation of the 1953 scale, and increase over 1952 rates on older policies.

CENTRAL STANDARD LIFE INSURANCE COMPANY NEEDS A MAN CAPABLE OF ASSUMING ENTIRE CHARGE OF ITS AGENCY DEPARTMENT

This Company has the location, age and financial strength to give a great opportunity, and yet is small enough to give a good man a chance to get credit for his full results. He should be from 35 to 45 years of age, with at least ten years' experience in this field. If interested, we would be glad to have essential details in confidence.

E. H. Henning
President
211 West Wacker Drive
Chicago 6

Soft Answer to Policyholder's Beef Turneth Away Wrath and Him into Agent

NEW YORK—A courteous and good-humored answer to a letter from a crotchety policyholder can do a lot but who'd expect it to impress the policyholder so favorably that he would decide to become an agent of the company? Yet that's what happened when an irate insured blew his top in a letter to President Louis W. Dawson of Mutual Life and got back a reply that not only turned away his wrath but made him feel that Mutual was a good company to work for.

The man so changed his feeling toward the company as a result of the correspondence that he signed up as an agent.

What irked the policyholder in the first place was the personally signed welcome letter that Mr. Dawson sends to all new policyholders. The policyholder liked the letter all right but it annoyed him that it referred to the agent who had sold him the policy as "E. Schmidt" instead of using his full first name.

With fictitious names used for the policyholder and agent so as not to embarrass them, here is the correspondence between the policyholder and Mr. Dawson.

"Dear Mr. Dawson:

"I assume you are a man of average intelligence because of the position you occupy. This would indicate that you have met some educational requirements. It would appear to me that in your haste to get to the golf course, you apparently don't read carefully that to which you affix your signature.

"If, in my business, I were to send a letter, and refer to a representative of my company by initial and surname, without the minimum of respectful expression, my first thought would be that I, or the person transcribing the letter, had suffered a mental lapse.

"From the information I have been able to assemble, your company is an excellent one with competent personnel. This I gathered from my contact with Mr. Edgar Schmidt, to whom you refer as E. Schmidt. In my conversations with Mr. Schmidt I am quite sure no reference was made to you as L. Dawson, although it apparently would be justified.

"As a rule I do not waste my time writing letters which will end up in the waste basket. However, it being one of those days, and because I am endowed with the blessings of a democracy, I have complied with the last sentence of your attached letter.

"Kinda silly of me, isn't it, Louie? "Best regards,

Robert A. Turner"

Upon receiving this letter, Mr. Dawson wrote the policyholder again:

"Dear Mr. Turner:

(R. Turner, that is!)

"Your letter of July 26th brightened my first day at the office after I returned from a short vacation.

"I agree that the name 'E. Schmidt' sounds rather abbreviated. But in preparing these notes of welcome to new policyholders, we have to be guided by the wishes of the field representative in question. Mr. Schmidt's agency office, in asking us to send the welcome letter to you, could have directed us to give his name in any way he wanted it to appear. Unfortunately, they directed us to refer to him as E. Schmidt.

"If I had presumed to change "E" to Edgar, because I liked it better, or because I thought you might like it better, then I might have gotten a letter from Mr. Schmidt's office, saying that he hates the name of Edgar, and why can't we please use his name in the form requested?

"I am sorry you were upset by the incident. The best I can do, under the circumstances, is to give you permission to refer to me, any time you wish, as 'L. Dawson'—which I hereby do.

"I wish it were true that this incident occurred because I was rushing off to a golf course. That would be a simple and understandable excuse. But I haven't found out how to run a life insurance company and still find time to play any golf at all.

"Please do not feel too badly about us. At least we tried to make you feel welcome as a new policyholder. In spite of the unsatisfactory start, I hope that we grow on you as time goes on.

"Sincerely,
L. Dawson"

The policyholder replied:

"Dear Mr. Dawson:
(to me, L. Dawson, as authorized)
"You have been tried and found true, and I accept my deserved chastisement.

"In all fairness, I confess that after reading a copy of my original letter, I find it slightly nauseate myself.

"You are a gentleman, and I shall endeavor to be a good policyholder. Please forgive my snide remarks and accept my apology.

"Should you, however, have occasion to visit my town, I would be honored to have you as my guest at the golf course, inasmuch as I am now going to take up that game and discontinue writing letters.

"Most respectfully,

R. Turner"

Mr. Dawson concluded the correspondence with the following note:

"Dear Bob:

"I wish all hot weather correspondence could end as well as ours.

"I surely will drop in to see you if I come to, or near, your town; and I hope that you will stop in to see us if you come to New York.

Buffington Joins Franklin

Kenneth E. Buffington has been appointed district manager at Camden, Me., for Franklin Life. Mr. Buffington entered the general insurance business in 1947 at Danielson, Conn., and in 1952 moved to Camden where he became an agent for the Union Mutual Life.

Mrs. Luke Markey, secretary to D. C. Insurance Superintendent Jordan has won a contest sponsored by Hecht Co., D. C. department store. With her mother, she is taking a two-week trip by air to Europe, including touring several countries there. Miss Marie Cosini, assistant license clerk in the department, has been nominated by the Puerto Rican resident commissioner and has been selected "princess" to represent her native island at a "ball of the states".

• *Provident Life of North Dakota* now is licensed in Wyoming, bringing to eight the number of states in which it operates.



"PITIFUL CASE. DELUSIONS OF GRANDEUR---THINKS HE UNDERSTANDS SECTION 213."

Estes Shows Value of Talking Conversion When Selling "Term"

The value of suggesting conversion at the very moment term insurance is discussed is told by Nick Estes of the Wellborn Estes agency, Clayton, Mo., of Occidental of California, in his company's publication, "Pulse."

One of Mr. Estes' examples, drawn from his own experience, concerns a man who was paying 4% interest on his \$40,000 building loan. Mr. Estes convinced him that an Occidental plan, at 5%, would assure the man's wife a debt-free existence should he die before the loan was paid off.

Should the loan be paid off successfully, however, Mr. Estes told his prospect, his 5% term plan could be converted to permanent life insurance, thus guaranteeing his insurability at a later date when his health might force a rejection of his application.

In another situation Mr. Estes was again able to show the value of conversion. This concerned a company's indebtedness to the widow of its president. Mr. Estes' plan permitted the company to pay off serial notes held by the widow under an arrangement which offered an option to purchase a permanent business plan at a later date when the cash was available.

When the notes were nearly all paid off, the money which had been going to the widow was diverted, under the terms of the conversion clause in the policy, to finance the company's stock purchase plan.

New State Mutual San Diego Unit

Harold W. Dougher, general agent at Los Angeles for State Mutual Life, has opened a San Diego office. Monroe Clark and Rodney G. Vandenehyde will be associated with the new office. Mr. Clark has been with State Mutual since 1947 as an agent in San Diego. Mr. Vandenehyde, recently separated from the navy, joined State Mutual at Portland, Ore., in 1948.

Standard, Ore., Dividends Up

Standard of Oregon will increase its dividend payments in 1954 to a total of about \$680,000, or 15% above 1953. This is the second dividend increase in

three years.

Interest payments on settlement proceeds left with the company also are being increased. On withdrawable funds, the new rate is 2 1/2% and on non-withdrawable, 3%.

L. J. Ackerman Elected Insurance Teachers Head

(CONTINUED FROM PAGE 9)
session were Frank Lang, research director of Assn. of Casualty & Surety Companies, and S. Rains Wallace, Jr., research director of Life Insurance Agency Management Assn.

Monday's session was held jointly with the American Statistical Assn. and the American Public Health Assn. It was a follow-up on mortality investigations.

Tuesday morning was devoted to talks on the basic life insurance course in the college curriculum. Luncheon speaker Tuesday was Insurance Superintendent Bohlinger of New York who talked on compulsory automobile insurance.

The business session Tuesday afternoon was conducted by Clyde M. Kahler, Wharton school, association president.

Mr. Wallace reviewed research activities in various life company associations. Discussing LIAMA research, he mentioned that job satisfaction and morale are receiving considerable attention in an endeavor to discover the relationship between stated job satisfaction in various areas and performance. He said that "already our work is raising serious questions about the oversimplified axiom that good morale means good performance."

At the same time that this work continues on agents, LIAMA is attacking similar problems in connection with supervisory personnel. Here progress has been greatly impeded by the seriousness of the criterion problem—the difficulty of making reliable and fair estimates of the degree of success or failure of a particular supervisor or manager, he said. Since the validation of any selection, training, supervisory or morale procedure involves relationship with such a criterion, LIAMA is now putting major emphasis on this for the supervisory personnel and is exhaustively reappraising the agent criteria thus far available.

MORE AGENTS

A company that depends upon the same number of agents to produce a satisfactory volume of business each year is not even standing still or holding its own. It is falling behind the procession.

Sound and certain growth comes only to the company that has a plan for increasing the number of agents representing it. An agency organization that is not revitalized by the addition of new blood tends to decline and deteriorate. So getting more agents is a must. It may not be put aside or postponed.

Now we do not contend that the problem of getting new agents is to be solved only by advertising for them in *The National Underwriter*. We do say, though, that such advertising does three important things in the way of agency building:

1. It gives the home office representative who has the responsibility for finding and appointing new agents the benefit of what is called in show business "advance billing."
2. It reaches a large, intelligent group of agency possibilities at a very low cost.
3. It makes a company and its facilities well and favorably known to the cream of the agency crop, all of whom pay the highest price (\$7 a year, and worth it) to read the leading weekly insurance newspaper of their business.

The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number nine of a series



THE D. L. B. AGENT'S SERVICE will help put YOU in

THE Spotlight of Success!

... FOR GENERAL AGENTS AND MANAGERS the Service provides:

1. continuous organized material unexcelled for training purposes because it not only covers 40 weeks of controlled study, including field assignments and thought-starting questions, to help in the organization and motivation of new men, but continues indefinitely to provide stimulation and self-training after the 40 weeks of supervised study. The Training Manual edited for use with the D.L.B. AGENT'S SERVICE, is flexible so that it can be used in any company's program.
2. continuous up-to-date source of inspiring new selling ideas and field-tested methods for agency meetings and bulletins, and for keeping underwriters on the selling track.
3. continuous up-to-date production aid to help you develop career life underwriters who are better informed . . . more skillful . . . more self-confident . . . and who can go out and earn more money!
4. continuous problem-solver and morale-builder to help you help underwriters get greater frequency of sales, even during early months in the business.

... FOR CAREER LIFE UNDERWRITERS the Service provides:

1. continuous up-to-date source of new field-tested selling ideas and methods which help you to become better informed . . . more skillful . . . more self-confident . . . and to earn more money!
2. continuous problem-solver and morale-builder kept always up-to-date by new pages issued each month; it is especially edited to help you develop the highly desirable habit of continuous self-education.
3. continuous personal production aid . . . hundreds of successful career life underwriters have testified voluntarily that the new ideas in the Service helped them close 10, 20, and even as many as 30 cases during the first weeks after they started to use it!
4. continuous organized course of study that is so flexible it can be used along with, or after completion of, the training material offered by any life insurance company.

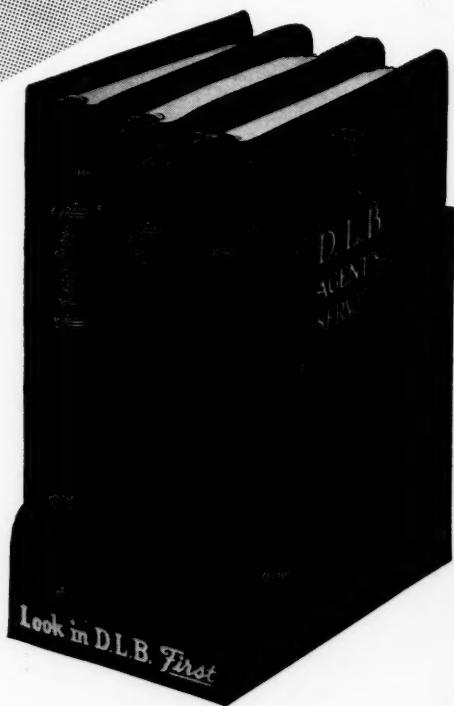
Write on your letterhead for your "approval" set today!

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Department of: THE NATIONAL UNDERWRITER COMPANY

420 East Fourth Street

Cincinnati 2, Ohio



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Three 7 x 9" loose-leaf volumes containing practical, useable selling ideas and methods kept always up to date by new pages issued each month. The volumes are indexed and tabbed for ready reference under 14 Sections: You, Life Insurance, Investments, Prospecting, Social Security, Sales Talks, Programming, Selling to Women, Motivation-Building Prestige, Objections, Managing Your Business, Letters-Advertising, Settlement Options, Closing. A handsome, sturdy, metal bookstall (as illustrated) is supplied with each three-volume set.

DIVIDEND EXTRA — ODDS & ENDS . . . stimulating digest sent as a "plus value" monthly to all subscribers . . . is a special motivating feature of the D.L.B. AGENT'S SERVICE. Every month it is filled with practical, motivating sales ideas and fresh, gripping human-interest stories. It contains many facts interesting to prospects and policyowners alike. Subscribers are enthusiastic . . . call it "timely!", "helpful!", "inspiring!", and "valuable!".

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If for any reason you are dissatisfied with this Service, return it within thirty days from date of your order and the price paid, plus the postage, will be refunded without question. This special money-back offer assures complete satisfaction.